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Young Arabs carry a man wounded Sunday in Jerusalem's Old City. It was uncertain if he was shot by a gunman who killed

two guards and wounded nine persons at a mosque and by Israeli police who fired into a crowd after rioting broke out.



The suspect, Alan H. Goodman, is led away by Israeli police.

## Jewish Gunman Kills 2 At Jerusalem Mosque

David K. Shipler

New York Times Service

JERUSALEM — A man dressed as an Israeli soldier and wielding an automatic rifle shot his way Sunday into one of Islam's holiest shrines, the Dome of the Rock on Jerusalem's Temple Mount, and sprayed the inside of the mosque with gunfire, killing at least two Arabs and wounding nine persons.

Israeli policemen and border troops in riot gear swarmed onto the mount, assaulted the mosque and captured the gunman within about 20 minutes, then whisked him out through a mob of Moslems who had streamed to the site from all corners of the Old City.

The police identified the assailant as Alan Harry Goodman, 37, who apparently immigrated to Israel from Baltimore in 1977. Among belongings found in his room in the Beit Hakerem section of Jerusalem were leaflets from the Kach Movement, led by Rabbi Meir Kahane, a small extremist group of ultranationalists who advocate the expulsion of all Arabs from Israel, and the replacement of the mosques on the Temple Mount with a new Jewish temple.

The attack, which came on Easter morning as thousands of Christians were worshipping in the Old City, set off furious demonstrations by Arabs throughout East Jerusalem. Stone-throwing youths injured at least 27 Israelis and foreigners on the Mount of Olives; two were hospitalized. On the Temple Mount, hundreds of angry men and boys chanted Palestinian nationalist slogans and stoned a small contingent of Israeli policemen, who were quickly reinforced by troops in combat gear spraying tear gas and firing into the air.

Islamic leaders in Jerusalem declared a one-week general strike, which appeared to hold the potential for further clashes both in Jerusalem and on the occupied West Bank, where scattered demonstrations were reported following the incident.

### Arab Jurisdiction

Consequently, the mount and its two mosques — al-Aqsa Mosque and the Dome of the Rock, also known as the Mosque of Omar — have remained under the jurisdiction of an Islamic council, and are guarded by Arabs. The site is usually considered the third holiest in Islam, after Mecca and Medina, because a protrusion of bedrock, around which the Dome of the Rock was built in the seventh century, is believed to be the point from which the prophet Mohammed ascended to heaven on his horse.

Israel's chief rabbi issued a strong denunciation of the gunman Sunday, according to Israel Radio, declaring that he had desecrated a spot holy to the Jewish people, and had thereby separated himself from the Jewish people.

According to witnesses, Mr. Goodman entered the Temple Mount Sunday morning in a soldier's uniform and carrying an M-16 rifle, standard issue to the Israeli Army. An army spokesman said that he was a soldier, but it was unclear whether he was a reservist or on regular tour of duty.

## Haig Takes 'Ideas' on Falklands To Britain

From Agency Dispatches

BUENOS AIRES — U.S. Secretary of State Alexander M. Haig Jr. postponed his return to Washington Sunday and was returning to London for further talks on averting war between Britain and Argentina over the Falkland Islands.

Dean Fischer, a State Department spokesman, said Mr. Haig, who met with Argentine officials almost all day Saturday, would leave "with specific ideas for further discussion."

Mr. Haig and other senior State Department officials met with Foreign Minister Nicanor Costa Mendez for four hours Saturday afternoon and then with President Leopoldo Galtieri for more than five hours. Mr. Fischer said the talks were "meaningful and open."

The meeting with President Galtieri ended at almost 2 a.m. Sunday. Mr. Haig, returning to his hotel, looked worn and said only that the talks were "a lot of work."

Mr. Haig, who arrived Friday night from London, had been scheduled to return Sunday to Washington. Mr. Fischer declined to say whether there had been actual progress in the talks, but he said "we will stay engaged in this process as long as we can be helpful."

It was unclear what movement there may have been on a compromise. Mr. Fischer said the United States supported last week's United Nations Security Council resolution as a basis for a settlement. The resolution called for the withdrawal of the Argentine troops that invaded the islands April 2.

Diplomatic sources said one idea Mr. Haig would take to London was a proposal for Peru for an international peacekeeping force to occupy the archipelago. But the sources also stressed that Argentina might find it unacceptable to withdraw in favor of a peacekeeping force.

In Washington, Jeane J. Kirkpatrick, the chief U.S. representative to the United Nations, said Sunday there was a "reasonable likelihood" that a last-minute settlement could be worked out. "I'm hopeful, very hopeful and I think I'm reasonably optimistic," she said.

The risk of an imminent clash (Continued on Page 2, Col. 5)



Secretary of State Haig and President Leopoldo Galtieri of Argentina confer in Buenos Aires.

## Common Market Extends Ban To Cover Argentine Imports

New York Times Service

LONDON — The European Economic Community voted a total ban on imports from Argentina as the hour approached for the imposition of Britain's naval blockade of Argentine shipping in the seas off the Falkland Islands.

The sanctions, adopted by the 10-member community at a meeting Saturday in Brussels, were the sternest punitive measures in the Common Market's 25-year history. Officials said that they could be imposed, along with a ban on arms sales to Argentina that was approved Friday, as early as Wednesday if legal documents can be completed in time.

[Argentina hinted Sunday that it might retaliate against countries that comply with British requests for economic sanctions over the Falklands Islands crisis, Reuters reported from Buenos Aires.] A Foreign Ministry statement said: "The Argentine government is closely watching the attitudes of countries subjected to great pressure by Britain to join the economic aggression against our country. Argentina reserves the right to adopt, in each case, the pertinent measures responding to those liable to affect its foreign trade and international economic relations."

British politicians were somewhat surprised by what amounted to a diplomatic coup for London in its efforts to force Argentina to pull its troops out of the South Atlantic archipelago, which they occupied just over a week ago. A number of countries, including

West Germany, had seemed reluctant to approve a complete embargo because of the damage they feared it would do to their long-term trade relations.

Argentina, already economically vulnerable because of the world's highest inflation rate and a foreign debt of about \$34 billion, saw all of its assets in Britain, including deposits in British banks, frozen after the Falklands invasion. The new measure means a loss of as much as \$40 million each week in trade with Western Europe.

"This clearly sends a signal to Argentina," said a spokesman for Prime Minister Margaret Thatcher. "We are extremely pleased and grateful for this expression of solidarity from our European partners."

The quick, stern action by the community contrasted sharply with its response following the imposition of martial law in Poland. It took three weeks on that occasion to get any agreement at all, and the sanctions eventually imposed affected only about 1 percent of Soviet exports to member countries.

Although a Common Market communiqué issued Saturday was somewhat ambiguous in calling for support from other nations, British officials expressed the hope that such Commonwealth countries as Canada and New Zealand might join the embargo. Australia has already blocked Argentine imports, and the United States is not expected to do so because of its mediating role.

The government was disturbed by several reports suggesting that many of the 1,800 Falklanders would prefer Britain to refrain from military action altogether so that they would not be evacuated prior to any assault on the islands. Their views, if accurately reported, would tend to undercut the rationale for Britain's response to the invasion.

### Falklander Letter

In a letter said to represent the views of 500 Falklanders, 15 senior administrators, including the top police and medical officers, asked that the islands be evacuated by "protecting power" before fighting began and that the power — presumed in London to mean the United States — send an observer to the area immediately.

The Falkland Islands office, a lobbying group in London, denied that the letter represented the views of the islanders and noted that no elected officials were among the signatories. Rex Hunt, the former governor of the colony now in London, said that 90 percent of the islanders would choose to remain, despite the risks, rather than face losing their homes and property. But he called the letter "genuine."

Meanwhile, the British naval task force, composed of at least 27 ships, steamed southward toward the potential combat zone, which it is not expected to reach for at least another week.

—R.W. APPLE JR.

## Doubts Grow on Thatcher's Political Survival

By R.W. Apple Jr.

New York Times Service

LONDON — When Britain seized the Falkland Islands 149 years ago, it needed only a single sloop, Capt. J.J. Onslow of the Clio sailed into the South Atlantic, sent a polite but firm message to Capt. J.M. Pinedo of the schooner Sarandí, hauled down the Argentine flag and ran up the Union Jack.

It will not be that easy this time. Argentina's capture of the Falklands has brought the two nations to the brink of war, caused the resignation of Britain's most respected foreign secretary since World War II, generated turmoil in the international banking community and involved the United States as a peacekeeper. It has so deeply shaken Margaret Thatcher's Conservative government that some politicians doubt it will survive.

Under Labor as well as under Conservative governments, Britain has tried to get rid of the islands for years. This nation has long since ceased to have colonial pretensions, and possession of the Falklands brings no great benefit. Although there has been talk about oil, there has been no money-making for the islanders are 600,000 sheep. Even with the wool trade, the Falklands last year imported more

than they exported, and the local government ran a deficit.

The population, moreover, has been declining steadily and may soon be too small to keep the economy alive. The islands' strategic value vanished when British ships began using the Panama Canal instead of the stormy route around Cape Horn. Even worse from London's viewpoint, the Falklands are all but in-

defensible against Argentina, barely 400 miles (640 kilometers) away.

Yet generations of diplomats have failed to unload the islands because they could not survive as an independent state, because postwar British politicians have made a big thing of respecting the wishes of local populations, especially those of British stock, and because the Falklanders have furiously opposed any link with Argentina.

They call Argentines "Argies," and dislike their language, politics, mores and even their food. A recent visitor expressed astonishment at the islanders' preference for canned beans and peaches, second-rate British beer and local mutton over Argentine steaks, wine and fresh produce.

So the search for a way to cast off the col-

ony has marked time, while the British military presence there withered because of spending cuts at home. When the invasion finally came on April 2, there were only 80 Royal Marines on the islands, the Antarctic support ship, the H.M.S. Endurance, patrolling nearby.

Former Prime Minister James Callaghan said in the House of Commons last week that Mrs. Thatcher had asked for trouble.

The Argentine junta, he said, had taken as a clear sign of irresolution Britain's decision early this year to sell the Endurance as part of a further spending cut prompted by its decision to buy Trident missiles. He argued that the junta was confirmed in its initial judgment when the Thatcher government took no action to evict Argentine scrap merchants who landed illegally on South Georgia, a Falklands dependency, on March 23.

It failed to do so, and failed to move promptly to protect the Falklands, because it misinterpreted the signals coming out of Buenos Aires. Sometime on March 26, 27 or 28, the British Embassy in Argentina told the Foreign Office of an Argentine invasion plan. An official in the embassy later said bitterly, "They chose to ignore it entirely. It was a complete error of judgment on London's part."

On the Monday before the invasion, the en-

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## 2 Reach North Pole in Bid To Circumnavigate Globe

United Press International

LONDON — Two British adventurers trying to circle the globe by both poles planted a Union Jack at the North Pole on Sunday and sent a triumphant Easter telegram to Prince Charles.

Sir Ranulph Fiennes, 38, and Charles Burton, 40, rested at the North Pole after completing by snowmobile the most hazardous portion of their 52,000-mile (83,200-kilometer) trip, described by Arctic experts as the "toughest journey on Earth."

Mr. Burton had only one word to describe how he felt after having arrived at his goal. "Marvelous," he said.

In 1980 to 1981, the two Britons, along with a third, Oliver Shepherd, 36, crossed Antarctica to traverse the South Pole.

The 24-year adventure of Sir Ranulph and Mr. Burton is not over, however. To be the first to circumnavigate the globe by the North and South poles, the Transglobe Expedition team must return to Greenwich, England, where they set out in 1979. They hope to arrive in July.

On Sunday, while Sir Ranulph

and Mr. Burton pitched camp at the North Pole in minus 25 degrees Fahrenheit (minus 32 degrees Celsius), in England champagne flowed among the expedition's supporters.

Buckingham Palace said Prince Charles, a sponsor, sent a telegram of congratulations to the two men after receiving their message. Rear Adm. Sir Edmund Irving, chairman of the expedition's executive committee, said in a message: "We're on top of the world with you!"

A spokesman for the Transglobe Expedition said Sir Ranulph and Mr. Burton reached their destination four days ahead of schedule, although they ran out of gasoline and had to wait for an air shipment.

An expedition spokesman said last week that Sir Ranulph and Mr. Burton face a hazardous return journey from the North Pole to the Arctic Circle.

Warmer weather could split ice between the pole and their pickup point, and they could easily get stuck on a floe," he said.

The trip is expected to take six to eight weeks.



Sir Ranulph Fiennes, left, and Charles Burton trekked over the snow with their gear. The photograph was taken March 18.

### INSIDE

#### Russians Wary

A senior Soviet official meeting with a group of visiting Americans in Moscow has given a wary response to President Reagan's proposal that he and the Soviet leader, Leonid Brezhnev, meet in New York during a United Nations disarmament conference in June, although Mr. Brezhnev may attend the conference, Page 2.

#### Ershad Interview

Lt. Gen. Hussain Mohammed Ershad, Bangladesh's new military ruler, said in an interview that he believed the Soviet Union was "very dangerous" and added that Bangladesh felt nothing but friendship toward the United States, Page 5.

#### Naval Expansion

The Reagan administration proposal for the most ambitious naval expansion in U.S. peacetime history makes the \$168-billion procurement program an inviting target to those in Congress who want to reduce the federal deficit by holding down military spending, Page 3.

### EECIT Is Again Arrested After Assailing Regime

United Press Service

ANKARA — Bulent Ecevit, a former Turkish premier, has been arrested on charges of "making false statements against the interests of Turkey." He faces a prison sentence of not less than five years if he is convicted.

Mr. Ecevit was interrogated twice recently by the military prosecutor of Ankara because of interviews given to Dutch television reporters and an article written for the West German magazine Der Spiegel.

According to the martial law authorities, the latest charges were based on another interview, this one with Norwegian journalists. In his article and interviews, Mr. Ecevit has criticized military rule in general and the attitude of the ruling military body, the National Security Council.

When he was informed Friday that he was to be arrested and told the reason, Mr. Ecevit appeared to dispute the accuracy of the statements attributed to him. He told a columnist for the Turkish daily Cumhuriyet: "I have not given such an interview. It means that they are taking me in for things that I have not said."

Some reports said Mr. Ecevit



Bulent Ecevit

would face a military court Monday.

Mr. Ecevit, 56, was held for a month at a military installation after the military takeover on Sept. 12, 1980, and resigned from the leadership of the Republican People's Party, which was later abolished. Since then, he has been speaking out against the military regime. His efforts prompted the military administration to issue a decree barring politicians from making political statements "on the past, present and future of Turkey."

Mr. Ecevit, who was premier three times during the 1970s, recently served a three-month sentence for violating the ban on public statements. His prison term was reduced by one month for good behavior.

"I have now been discharged but so long as the limitation on my freedom of expression continues, I feel as if I were in prison everywhere," Mr. Ecevit said after he was released in February.

His weekly magazine, Arayis, or Search, has been banned, and his request for a passport turned down.

Gen. Konan Evren, the head of the National Security Council, said



# Soviet Official Responds Warily To Reagan Proposal for a Summit

By John F. Burns

New York Times Service

MOSCOW — A senior Soviet official, meeting with a group of visiting Americans, has given a wary response to President Reagan's proposal that he and the Soviet president, Leonid I. Brezhnev, meet in New York during a UN disarmament conference in June.

The Americans, visiting under the auspices of the Institute of Policy Studies in Washington, said a Soviet official who is a member of the Communist Party's Central Committee told them that no decision had been made on whether Mr. Brezhnev would attend the conference, but that he thought it likely that the Soviet leader would go.

"It Would Be Well"

However, the official, who spoke to the Americans on a background basis, said the Soviet side would have reservations about the proposal. The Americans said the reasons given were that Mr. Reagan would likely use the United Nations forum for a propaganda speech that would create an inauspicious climate for talks, and that any top-level meeting should be preceded by painstaking preparation.

But the Americans quoted the Soviet official as saying that if Mr. Brezhnev did go to New York, he would probably use the occasion for "contacts" with Mr. Reagan that would fall short of negotiations. The official was said to have emphasized that he was offering a personal opinion and was not stating official policy.

Mr. Reagan made his proposal during an informal session with reporters in the Oval Office last week. He said he would be addressing the UN conference, which is scheduled from June 7 to July 9, and urged Mr. Brezhnev to do the same. Mr. Reagan added, "I think it would be well if he and I had a talk."

Mr. Brezhnev has proposed meeting with Mr. Reagan on several occasions in the past year. For several months the U.S. administration took a cautious attitude toward the proposal, saying any summit should be well-prepared and likely to make substantive progress on issues between the two nations.

But after the Soviet-backed military crackdown in Poland in December, administration officials began saying that a meeting with Mr. Brezhnev might be useful.

The substance of the Soviet official's remarks was relayed by members of the U.S. group, who came to propose a conference in Minneapolis next year between 40 private Americans and 40 Soviet representatives on disarmament and U.S.-Soviet relations.

Mr. Raskin said the main theme of Soviet officials' remarks during the meetings had been that Mr. Reagan was pulling the Soviet Union into a fresh round of the arms race with his increased military spending.

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## Church Says East Germany Offends Youth

Authorities Accused Of Being Repressive

Reuters

BERLIN — East Germany's Protestant Church accused the Communist authorities in an open letter Sunday of alienating youth by excessive repression of a growing unofficial peace movement.

The letter, signed by the leader of the churches' conference, Dr. Werner Krusche, the bishop of Magdeburg, said that the church was not able to make the government position understandable to young people.

A symbol representing swords turning to plowshares, produced by the church for a peace forum last year, has been adopted for an armband by many young East Germans opposed to military service and to both U.S. and Soviet nuclear missiles.

The state regards Soviet missiles as necessary to maintain peace. The church leader said the secretary of state for church affairs, Klaus Gysi, had declared that the symbol was being used to turn youths against military service and so could not be tolerated in public.

An appendix to the letter written by East Berlin regional church leaders thanked all those who had worn the symbol and who "despite all the difficulties resulting from it have maintained their truly peaceful conviction."

"Unfortunately, in most cases it has not been possible, despite all the efforts of church leaders, to protect wearers of the symbol from unpleasant consequences," it added.

Young people wearing the badge have told of having it ripped off by police and being sent home from school or university classes.

Source said that the letter was read in churches in East Berlin at Easter services and would be circulated to churches throughout the country.

"Difficult Problems" It said: "We fear that the actions of state bodies are leading to difficult problems in the relationship of basically well-intentioned youth to the state and for the inner peace of our society and the personal development of young people."

The church letter said it opposed the contention of the opposition of Christian conscience with the formation of an unofficial movement but nevertheless regarded state action against wearers of the symbol as a restriction on freedom of belief and conscience.

The church message came two days after the death at 72 of the East German peace movement's most prominent spokesman, Robert Havemann.

Reiner Eppelmann, a clergyman who was held briefly after launching a petition with views similar to those of Mr. Havemann, has been mentioned as a possible successor. Sources said that Mr. Eppelmann had turned down invitations to Stuttgart, West Germany, recently for fear that he would be stripped of his East German citizenship while out of the country.

5 Die in W. German Fire

HANNOVER, West Germany — Five teenagers burned to death Sunday in the village of Hohnstede, near Göttingen, after a pile of wood they were guarding caught fire, police said. The teenagers evidently had built a shelter out of the wood, which was intended for an Easter bonfire, and were inside it.



Demonstrators in Buenos Aires rallied against Britain.

## Haig Returning to London With 'Ideas' on Falklands

(Continued from Page 1)

Meanwhile, Pope John Paul II appealed to both sides to settle the conflict peacefully. In his Easter message to 200,000 people outside St. Peter's, the pope called for a settlement based on universally recognized principles of international law.

His Easter message was televised live to 27 countries on four continents, including Britain and Argentina. The message also spoke of the suffering caused by the war between Iran and Iraq.

Back to Port Britain had warned that a 200-mile (320-kilometer) "war zone" would be imposed around the Falklands beginning at 5 a.m. London time Monday. About 18 hours before the deadline, the Defense Ministry said that only a destroyer and a frigate were still at sea. He refused to say if either was in the war zone.

Britain's new foreign secretary, Francis Pym, apparently expected Mr. Haig's negotiations at least to delay the possibility of naval action. "If there's going to be some arrangement whereby we can achieve by diplomatic means what we would otherwise have to do by force, then I would not expect there to be any targets within that zone," he said.

In view of the fact that Mr. Haig is making these efforts, which we totally support, I think it would be very surprising indeed if there were targets there," Mr. Pym added. "At any rate, I hope the Argentines don't present a target."

He said Argentina must withdraw its forces from the islands "before there can be anything remotely like negotiations" and that the threat to sink Argentine warships still stood.

Submarines in Area Though the British task force is still at least a week away from the Falklands, the Defense Ministry has acknowledged that it would have an unspecified number of submarines there to enforce the blockade.

On the deployment of the Argentine Navy, a defense spokesman told reporters: "We note that their aircraft carrier, their only cruiser, seven of their eight destroyers, two of their three frigates and all of the submarines are back in mainland ports."

At a rally Saturday outside the presidential palace in Buenos Aires, President Galtieri declared that if the British "want to come, come — we'll fight them."

It appeared that his speech further incited an already aroused public and that this could make it more difficult for the government to make concessions on the islands.

"Each Argentine man, woman and youth can be absolutely sure," Gen. Galtieri said, "that in representing the people of this nation in this first meeting with the representatives of the United States, I feel a pride and satisfaction in maintaining the dignity and honor of the Argentine nation. The dignity and honor of this nation is not negotiable by anyone."

Crowd of 50,000 The crowd, which Argentine news organizations said numbered roughly 50,000, was organized principally by opposition groups with the aid of the government to impress Mr. Haig with Argentine solidarity and fervor.

The spirit was mostly festive as people waved blue and white flags, sang the national anthem and chanted, "Argentina, Argentina."

Raid on Dissidents Reported in Russia

MOSCOW — Twelve persons have been arrested by Soviet police in a coordinated series of raids on Moscow's dissident community, dissident sources said Sunday.

The 12 men were rounded up on April 6, their apartments and those of 50 of their relatives and friends were searched, the sources said. Police were said to have removed religious material, Bibles and icons from the homes of four of them, who were practicing members of the Russian Orthodox Church.

The sources said that the 12 had been held for more than three nights and could now be formally considered under arrest. It was not known what charge would be brought against them, although dissidents are normally charged with anti-Soviet activities under one of two articles in the criminal code.

## WORLD NEWS BRIEFS

### Syria Closes Key Iraqi Oil Pipeline

Washington Post Service

BEIRUT — Syria has closed a key pipeline carrying Iraqi oil across Syria to Mediterranean ports, leaving Baghdad with only one outlet for its vital oil exports, Iraq said.

The Syrian move Saturday came at a time when the Iraqi government sorely needs foreign exchange to pay for the 18-month-old war with Iran. It followed Syria's announcement Thursday that it was closing the Iraqi-Syrian border because of alleged Iraqi support for Moslem Brotherhood rebels in Syria. The feud between the two has been aggravated by Syria's support of Iran in the war.

The 500-mile pipeline was estimated to have been carrying just under half of Iraq's petroleum exports of about 900,000 barrels a day. The rest has been passing through a pipeline that goes to Turkey's Mediterranean coast, but which has been sabotaged several times by anti-government rebels. Iraq's major oil export facilities at the northern end of the Gulf have been out of commission since the early days of the war when they were bombed by Iranian planes.

### Waiter Convicted of Setting N.Y. Fire

Reuters

WHITE PLAINS, N.Y. — A jury has convicted a Guatemalan waiter of murdering 26 business executives by starting a fire in a hotel near New York City in December, 1980.

After deliberating for six days, the jury of nine men and three women agreed unanimously Saturday that Luis Marin, 26, was guilty of arson and 26 charges of murder. If the verdict is upheld after appeal, Mr. Marin faces a possible sentence of 25 years to life on each murder charge.

Mr. Marin, a former waiter at Stoufflers Inn in nearby Harrison, N.Y., was accused of pouring a petroleum-based liquid on a hotel rug and setting fire to it after learning that he would be dismissed as an illegal alien working without proper papers. The fire killed 26 executives of Arrow Electronics Co. and the Nestle Co.

### Liberia Lifts Curfew to Mark Coup

Reuters

MONROVIA, Liberia — Samuel K. Doe, Liberia's military ruler, has temporarily lifted curfew restrictions to celebrate the second anniversary of the coup that brought his People's Redemption Council to power.

Mr. Doe said Saturday that he was lifting the curfew until next Thursday "to afford the Liberian people the possibility of joyously participating in National Redemption Day ceremonies."

The curfew has been strictly enforced since April 12, 1980, when a group of enlisted men led by Mr. Doe, then a master sergeant in the army, killed President William Tolbert and 13 senior officials of the True Whig Party.

African leaders have shunned the Redemption Day ceremonies, which began Sunday with a church service in Monrovia's Centennial Pavilion. But Liberia's oldest ally, the United States, has sent 42 members of the U.S. Army's Green Beret commando group to stage parachute drops and sea-to-shore operations for large holiday crowds expected on Monday.

### U.S. to Sign Aswan Turbine Accord

United Press International

CAIRO — An agreement by the United States to replace the 12 power-generating turbines of the Soviet-built Aswan High Dam, at a cost of \$85 million, will be signed Monday, the newspaper Al-Ahram reported Sunday.

Al-Ahram said it will take eight years to replace the cracked, aging turbines, which produce 8 billion kilowatts of power a year, or about one-third of Egypt's total output. The report meant, in effect, that a Soviet offer to help overhaul the turbines had been turned down.

U.S. Embassy officials said the contract will go to Allis-Chalmers Corp. of Milwaukee, as expected. The officials said Robert W. Kasten Jr., chairman of the U.S. Senate Appropriations Committee's Foreign Operations Subcommittee, who is visiting Egypt, toured the dam and its power station Friday.

### Palestinians and Lebanese Alarmed by Israeli Buildup

(Continued from Page 1)

chem Begin's government intends to do.

[The Israeli Cabinet met for seven hours Sunday, and a spokesman said the session was conducted as a "ministerial security committee" whose discussions are barred by law from being published. Reuters reported from Tel Aviv. The state radio said southern Lebanon and relations with Egypt were believed to have topped the agenda, however.

[Doubts about the survival of the southern Lebanon cease-fire were fueled by an Israeli Army announcement that it had captured two heavily armed PLO guerrillas. A military spokesman said they had crossed from Jordan on Friday night and were carrying assault rifles, grenades and explosives.]

[Prime Minister Menachem Begin told U.S. Ambassador Samuel Lewis Sunday that Israel had made no decision to go into Lebanon "in any way, shape or form." United Press International in Jerusalem quoted Mr. Lewis as saying.

[Mr. Lewis met with Mr. Begin, Defense Minister Ariel Sharon, and Foreign Minister Yitzhak Shamir for three hours and said afterward, "I was very reassured by our meeting."

The tension was compounded by a feeling of frustration with the Lebanese government unable to counter the prospect of a new Israeli assault except by pleading for help from the United States and with PLO commanders aware that their weaponry is no match for Israeli warplanes and armor.

Such has been the case since early in the year, with peaks and valleys of concern and speculation on Israeli intentions and on whether an attack would occur before the April 25 Israeli pullout from Sinai. But signs in recent days have convinced a growing number of Palestinian, Lebanese and foreign officials that this time, the attack is really imminent.

Col. Azmeel Shaiyeh, PLO commander in the Tyre region 12 miles (19 kilometers) north of the border, said his observers have spotted unusual Israeli troop and armor concentrations near two Lebanese villages in the Israeli-controlled Christian enclave of Lebanon's Maj. Saad Haddad, directly across from major Palestinian artillery and rocket posts and a key PLO observation post.

UN sources reported sighting large numbers of Israeli tanks on roads just south of the border and in the Haddad area, where Israeli vehicles move freely, Mr. Sarkis was quoted by a spokesman as saying after his first meeting with Mr. Dillon that his government had information that two Israeli divisions were poised along the border.

Col. Shaiyeh said at his headquarters near Tyre that the number of Israeli helicopter patrols had increased in recent days over the PLO-controlled city and nearby guerrilla-gun emplacements.

Fears of large-scale fighting have been growing steadily since the killing of an Israeli diplomat in Paris on April 3, a slaying Israeli officials blamed on the PLO despite repeated PLO denials. Radical PLO factions often at odds

with Mr. Arafat have, however, claimed at least two recent grenade attacks against Israeli soldiers in the occupied Gaza Strip.

Those claims ran against the grain of earlier PLO efforts to avoid giving any appearance of violating the cease-fire negotiated by Mr. Habib. Though Mr. Arafat insists the cease-fire does not rule out such attacks in Israeli-held territory, he had been eager to display his ability to ensure compliance with the agreement.

Palestinian sources said the recent claims reflected a bitter debate inside the PLO in which some guerrilla chiefs were questioning the wisdom of an agreement that tied PLO hands militarily while Israeli soldiers were putting down Palestinian demonstrations on the occupied West Bank.

After an inspection tour of the border region Friday, Mr. Arafat told his staff that he expected the Israeli attack to center on four targets. PLO officials reported: PLO artillery and rocket concentrations north of Nabatiyyeh; the Tyre region; the Damour area just south of Beirut, where guerrilla training camps and weapons are located; and PLO offices in Beirut.

Turks Detain Ex-Premier

(Continued from Page 1)

organizations "to play down" the event.

Mr. Evren, during a recent visit to Romania, told journalists that the military regime would not hesitate to take additional measures "to tackle the important problems of the country" before turning power over to an elected parliament.

The military authorities have recently hardened their attitude toward members of the Republic People's Party and has started an investigation of 132 former members of the party before turning power over to an elected parliament.

Two more members were arrested during the weekend on charges of having had links to a leftist terrorist organization.

Warning for Reporter

ANKARA (Reuters) — The Ankara correspondent for the British Broadcasting Corp. and the Financial Times of London said Sunday that Turkey's military authorities have accused him of writing false and unfounded stories and threatened him with deportation.

The correspondent, Metin Munir, a Cypriot, said he had been ordered by policemen to contact martial law headquarters Sunday. When he complied, he said he was told by a colonel that he had been sending "false and unfounded stories" and would be deported if "one more such report appeared."

Mr. Munir said he was told to sign a document confirming that he had received the warning.

Mr. Munir, 38, has been a correspondent in Ankara for 10 years. He was charged last year under a law barring the dissemination of false information about Turkey abroad, but the charges were dropped.

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# Despite Size of Target, Reagan's Navy Expansion Plan Is Sailing Past Critics

By Richard Halloran

New York Times Service

WASHINGTON — The Reagan administration has proposed to Congress the most ambitious program for naval expansion in the nation's peacetime history as an essential part of the president's plan to project U.S. military might around the globe.

So far, the Navy, despite being given a \$168 billion, five-year shipbuilding and aircraft procurement program that is the single most costly program in the plan, has escaped much of the rising criticism of the administration's proposed increases in military spending and the global strategy behind them.

In the months ahead, however, the administration's program to provide the Navy with a 600-ship fleet and to acquire 1,900 aircraft is likely to undergo serious congressional scrutiny. Aircraft carriers at \$3.4 billion each and cruisers at \$1.1 billion apiece may tempt those seeking large cuts at one stroke.

The administration has put out a hard sell for its program, led by the outspoken secretary of the Navy, John F. Lehman Jr. He has been blunt in congressional testimony. "Clear maritime superiority must be reacquired," he said. "This is not a debatable strategy. It is a national objective, a security imperative."

Arguments of that sort, congressional officials said, appear to have led to a conviction

that the Navy must be expanded and to members of Congress being unwilling to oppose a particular weapons program solely on the ground of cost.

Congressional staff members, both those who work for supporters of the Navy and those employed by advocates of cuts, have been surprised at the lack of widespread opposition to the administration's naval program. They cited a 10-5 vote by which a proposal to cut an aircraft carrier failed in the Senate Armed Services Committee and a 16-1 vote by which the overall Pentagon budget measure was approved by the committee.

The naval budget for the fiscal year that starts Oct. 1 has gone through only the usually sympathetic Armed Services Committee in each house, however, with the more skeptical Appropriations Committee and floor fights still to come. Opponents of the administration, such as Sen. Gary Hart, Democrat of Colorado, who is a leader of a military reform caucus, say they have just begun to fight.

A searching inquiry into the administration's naval plan by the Congressional Budget Office, which seeks to do nonpartisan research, may give critics new ammunition. "The Congress should consider carefully the longer-term budgetary implications of the Navy's shipbuilding program and assess whether the Navy's strategy, and the shipbuilding program

derived from that strategy, is the best basis on which to proceed with naval modernization," the budget office said.

In a report issued early this month, the budget office suggested that the administration's budget for naval expansion was insufficient for the ambitious missions assigned to the Navy. The researchers said it would take an average of \$25 billion a year in shipbuilding alone, as against less than \$20 billion allotted by the administration.

In his annual report to the Congress, Secretary of Defense Caspar W. Weinberger said, "The logical implication of a global strategy, combined with the need to defend our interests and support our forces in distant parts of the world, lead to a clear need for increased United States naval power."

## Change of Mission

The administration's maritime strategy makes the Navy responsible for perhaps the most fundamental change in its mission since World War II. The naval forces would be designed to sustain battle at sea for a long period, reversing the concept of a short war on which naval forces had been assembled, trained, and supplied under earlier administrations.

Adm. Harry D. Train 2d, the commander of U.S. and allied naval forces in the Atlantic, has

told Congress, "It will do us little good to win the first few battles if the Soviets can simply outlast us."

To control the air over the sea, the administration wants to increase the number of battle groups centered on aircraft carriers to 15 from 13, each at a cost of \$19 billion for a large nuclear powered carrier, the aircraft to arm it and escort ships to protect it.

Under the water, the administration wants to add 17 nuclear-powered attack submarines for a total of 95, counting retirements, by 1987. Shortly after, the Navy wants the total to reach 100.

Under the administration's new maritime strategy, the Navy's wartime missions would include these elements:

- Sending carrier battle groups into Soviet waters so that naval aviators can deliver retaliatory strikes on Soviet targets.

- Bottling up Soviet fleets by closing what sailors call "choke points," such as the exit from the Baltic Sea, through which Soviet ships must pass to the open sea.

- Fighting Soviet ships, particularly submarines, if they reach the open seas, either in the Atlantic or the Pacific.

- Protecting U.S. access to raw materials and fuel, especially oil, and the sea lanes over which those products are shipped to the United States.

- Supporting the Rapid Deployment Force if it is dispatched to the Gulf region or elsewhere.

To acquire the capability to accomplish those tasks, the administration has asked in the budget for the fiscal year beginning Oct. 1 for \$88.6 billion, a 27 percent increase over this year's naval budget, as the next big step in its plan to enlarge the fleet from 514 ships this year to 610 ships by 1990.

Over the next five years, the Navy has asked for authority to build 133 warships, including two nuclear powered aircraft carriers beyond the one currently under construction and 58 other major combatants. The Navy has also asked for authority to convert or do major overhauls on 16 more ships, including three battleships. Older ships would be retired to bring the final strength to 610 ships.

The shipbuilding and related costs would come to \$96.3 billion. On top of that, the requested authority to buy the 1,917 aircraft would come to \$71.1 billion. That is in 1983 dollars and does not take inflation into account.

Outside Congress, criticism of the administration's naval program has come from several directions. Some military analysts have asserted that the administration's naval program lacks a justifying strategy. Others argue that the strategy is wrong. Still others contend that

proposed naval budgets are inadequate to execute the strategy.

Among the leading critics has been Edward N. Luttwak, a conservative military consultant at the Center for Strategic and International Studies at Georgetown University here.

In a recent article, Mr. Luttwak said: "We cannot hope to regain our naval power just by building ships. It is so much easier to deny the use of the sea than to assure safe passage that for each unit of resources the Soviet Navy spends we might have to spend 10 more. It is only by strategy that the unfavorable exchange can be avoided."

William R. Van Cleave, the director of defense and strategic studies at the University of California, has argued that the administration has planned to buy ships vulnerable to Soviet nuclear weapons. He wrote recently that the Navy "is moving to a very small number of highly lucrative targets."

On the other side of the political spectrum, Jeffrey Record, an advocate of sea power at the Institute for Foreign Policy Analysis and an advisor to Sen. Hart, has been critical of the administration's concept of widely dispersed retaliatory strikes. He said in a recent article: "Against the Soviet Union, deliberate escalation of a war is a recipe for defeat. It violates the fundamental axiom of concentration by dispersing limited forces in the face of a larger and more compact adversary."

## U.S. Religious Groups Gathering Momentum In Anti-Nuclear Drive

By Kenneth A. Briggs

New York Times Service

NEW YORK — The decision by the Rev. Billy Graham, one of the best-known religious figures in the United States, to address an international conference on disarmament in Moscow next month adds a powerful force to the growing campaign by church leaders to end the nuclear arms race.

The momentum of the anti-nuclear movement among a variety of spiritual figures is building steadily. Religious liberals and conservatives are putting aside their differences. Roman Catholics are standing side by side with Protestants, Jews and those of the Eastern Orthodox faith in opposing further production and deployment of nuclear weapons.

In interviews, some of the religious organizers explain that President Reagan's insistence that a U.S. arms buildup is needed to meet the Soviet Union's growing military power awakes many religious people to the real threat of nuclear war.

Until this administration, they said, the concept of nuclear danger seemed more remote and theoretical. The government's hard-line policies, the organizers said, made the use of nuclear weapons seem more likely and thus precipitated moral crises for many church members.

### Appeals for a Freeze

In general, churches have done more than other institutions to carry the anti-nuclear campaign along, and their convictions seem to be deepening. Twenty Christian denominations have appealed for an immediate bilateral arms freeze. Both the liberal Unitarian Church and the Reformed Church in America, an old-line Calvinist denomination with roots in 16th-century Dutch Reformed tradition, have sent letters supporting a freeze to each of their member churches.

Peace activists from the Netherlands, West Germany and Britain, drew large crowds recently at anti-nuclear rallies in Seattle, San Francisco, Salt Lake City, Denver, Philadelphia, Washington and other cities.

Earlier this month, 35 religious leaders from around the world urged support for the United Nations' special session on disarmament, which is scheduled to begin June 6.

A measure of the commitment by religious figures can be gained by noting the people whose criticism of U.S. military policy is unusual. For example, Cardinal John Krol, the conservative archbishop

of Philadelphia, addressed more than 15,000 people at an anti-nuclear rally and called the administration's plans for increasing U.S. nuclear strength "an irrational and suicidal" means of keeping peace.

Opposition has also arisen among Mormons who once approved the military policies of a succession of administrations.

Edwin B. Firmage, professor of law at the University of Utah, who served a term as a Mormon bishop, wrote in the latest issue of "Christianity and Crisis," an independent journal: "The present escalation in nuclear weapons between ourselves and the Soviet Union, together with the spread of nuclear weapons technology to other states, is an ultimate act of idolatry, a reliance on false gods that cannot save us but will insure our destruction."

Several themes are involved in the religious protest, but the binding one is the perceived need for a freeze on nuclear armaments. Some more ardent participants feel the call for the bilateral freeze does not go far enough and insist on a bolder unilateral move by the United States. Others feel cautious about going even this much beyond conventional thinking.

A major point of tension among religious people is how far they should go beyond the call for an arms freeze toward a tougher, more challenging stand. Some incidents already point to greater levels of dissent and civil disobedience.

### Tax-Withholding Protest

Raymond G. Hunthausen, the Catholic archbishop of Seattle, for instance, has publicly stated that he would indefinitely withhold half his U.S. income tax as a form of protest.

Groups such as Clergy and Laity Concerned, and Pax Christi, a Catholic organization that includes dozens of bishops as members, have begun to demonstrate against nuclear arms in the streets and at defense installations.

Underlying the religious anti-nuclear battle is a basic moral issue that has been most clearly defined by Catholics: the growing conviction that the very possession of nuclear weapons is immoral and that talk of limited nuclear war is not only absurd but blasphemous. Cardinal Krol echoed that view in his speech in Philadelphia. Rejecting the view that proponents of disarmament are "bright-eyed visionaries who ignore harsh current realities," he said that "the right to legitimate self-defense is not a moral justification for unleashing massive destruction against innocent noncombatants."

## Republicans, in Report, Assail Conservationists

By Bill Peterson

Washington Post Service

WASHINGTON — Environmentalists are described in a new Republican report as members of a "fundamentally self-interested, elite leisure class who seek 'to thwart economic development (because) only they garner the benefits of extremist environmental protection.'"

The report, prepared by the House Republican Study Committee, says most members of environmental groups are affluent, upper-middle-class professionals who "stand to gain the most from complete preservation of scenic refuges because only they have the time and money to frequent such retreats."

The groups, the report says, have infiltrated academia, used the media and "fraudulently manipulated the courts in a fashion that legitimizes illegitimate energy advocacy programs and defrauds the government and the poor."

"This specter of environmentalism haunts America by threatening to inhibit natural resource development and economic growth," the report says. "Failure to recognize this and to respond accordingly compromises the natural resource development objectives supported by a majority of the American public."

The 13-page report was circulated as an "information service" by the committee, a caucus of Republican conservatives that includes 54 of the party's 192 House members.

The report provoked some confusion among environmentalists, many of whom originally dismissed it as a parody.

"It seemed so removed from reality that it appeared to be a work of fiction," said Louise Dunlap, president of the Environmental Policy Center. "It sounded so ridiculous I didn't think it could be true."

Richard B. Dingman, executive director of the study group, said the report was prepared to alert conservatives to the activities of environmentalists. He said the only unfavorable reaction he had received was from Rep. Robert E. Badham, a California Republican who is the committee's new chairman. "He told me, 'I think you were a bit too strident in your language,'" Mr. Dingman said.

### Bipartisan Issue

Traditionally, environmental protection has been a bipartisan issue. Many members of environmental groups are Republicans. But the actions of the Reagan administration have set it increasingly at odds with environmental groups.

The report describes these groups as part of a "minority fringe" dominated by liberal Democrats out of touch with the public. It said they had failed in attempts to isolate Interior Secretary James G. Watt as an "environmental madman," and so were turning their attacks on the entire administration.



Protesters against nuclear weapons march through Munich during one of the peace rallies.

## Thousands of West Germans March In Nationwide Easter Peace Rallies

From Agency Dispatches

FRANKFURT — Thousands of West Germans continued Easter-day marches Sunday, the third day of nationwide protests against nuclear arms.

In the Ruhr industrial area, organizers estimated that about 20,000 demonstrators marched toward the city of Bochum. A final rally protesting nuclear arms and the stationing of further NATO medium-range missiles was scheduled in nearby Dortmund for Monday.

Another 20,000 people marched on the center of Frankfurt, organizers said, where a mass rally was scheduled for late Sunday. About 7,000 opponents of nuclear arms assembled in Stuttgart. In Bavaria, about 40 small rallies were reported; about 2,500 people took part in the major Bavarian rally in Munich on Saturday.

The organizers of the marches estimated that more than 150,000 people demonstrated Saturday, with the biggest rallies in Hamburg, 50,000 participants; Bielefeld, 20,000; Bremen, 12,000; and Duisburg, 10,000. Police reported no incidents at the demonstrations.

### Unilateral Steps

On Friday night, a regional leader of Chancellor Helmut Schmidt's Social Democratic Party called for unilateral steps for peace movement. Oskar Lafontaine, party chairman for Saarland, said at a trade union youth rally in Dortmund that the call was to end East and West Germany. He said the idea of nuclear balance had become senseless because of "total overarmament."

Mr. Lafontaine, declaring support for peace movements in the United States and East Germany, said that people in power must recognize that "a generation is growing up that does not want to burn in an atomic holocaust."

Hans Brauser, youth secretary of the West German trade union federation, said in Dortmund that the marchers' goal was "reconciliation instead of deterrence, disarmament instead of armament."

Although he said the United States, like the Soviet Union, was securing its sphere of influence through force, he declared: "We are not anti-American." Hundreds in the audience shouted back: "Yes, we are."

### Trident Protest in Glasgow

GLASGOW (AP) — Anti-nuclear demonstrators estimated by organizers at more than 15,000 marched through Glasgow on Saturday to protest the British government's decision to buy the new U.S. Trident nuclear missile system.

The missile-carrying submarines would be based near Glasgow. Demonstrations against nuclear weapons were also held in London, where about 2,000 people marched, and 14 other British towns and cities. Police said the marches were orderly.

The Tridents are intended to replace Britain's aged Polaris nuclear submarines. The system, whose cost is estimated at £7.5 billion (about \$13 billion), would not go into service until the mid-1990s and would last until 2020, Defense

Secretary John Nott said earlier this year. Critics say drastic paring of Britain's conventional defenses would be required in order to meet the high cost of the Trident.

### Chicago Rally Draws 14,000

CHICAGO — At least 14,000 people marched through downtown Chicago on Saturday in support of a growing movement for an immediate freeze on U.S. and Soviet nuclear weapons. The marchers represented a broad coalition of social and political groups opposed to nuclear arms.

### Thousands March to Vatican

VATICAN CITY (AP) — Tens of thousands of people led by three Nobel prize winners and the Communist mayor of Rome marched through Rome to the Vatican on Sunday in an Easter rally for peace and against hunger. The organizers of the march estimated the crowd at 50,000 and police said there were 30,000.

## FAA Orders Airlines To Tighten Jet Checks

By Richard Witkin

New York Times Service

NEW YORK — The Federal Aviation Administration has intensified its effort to protect wide-body jet aircraft from engine breakdowns by ordering U.S. users of a huge General Electric engine to double the frequency of special inspections to detect dangerous cracks.

The order, issued Friday, applies to CF-6 engines that operators in the United States use to power 25 McDonnell Douglas DC-10s and seven Boeing 747s. Foreign operators of 371 more of these aircraft will almost certainly follow suit, as is usual when the aviation agency issues safety directives.

The danger from disintegration of large jet engines, including those built by Rolls-Royce, Pratt & Whitney, and General Electric, has long been one of the aviation

industry's most challenging problems.

"The problem will never go away completely, but we must aim for zero defects," said a highly placed aviation official, who declined to be named.

The order was the fourth in three years to be issued by the agency in an attempt to deal with a particularly hazardous condition that has turned up after an extended period of operation of the GE engine, which generates about 50,000 pounds of thrust.

On one occasion, a 150-pound (about 70-kilogram) high-pressure turbine disk, rotating at more than 10,000 revolutions per minute, has broken apart, throwing fragments outward. In the most recent case, on March 17, the breakup sent fire to an Air France twin-engine Airbus at San's Airport in North Yemen. Rapid firefighting action enabled all 124 persons on board to escape.

It was this accident that led to the latest FAA order. Under a schedule that will become progressively tighter, turbine disks will be subject to sophisticated periodic inspections every 750 flights, or twice as often as is now required.

Other problems with the same engine have led to five other instances of partial disintegration since 1978, according to the British magazine Flight International. But the basic defect has not been so serious as the problem with the high-pressure disk.

Rolls-Royce's comparable engine, the RB-211, has suffered what the magazine calls "major uncontained disintegration" on four occasions. It is the power plant for most of the world's three-engine Lockheed L-1011 TriStars. Pratt & Whitney's JT-9D, used on most Boeing 747s and some DC-10s, is reported to have had 13 breakups.

But none appears to have been as hazardous as the breakup that caused the accident in Yemen or one of those involving a Rolls-Royce RB-211. The disparity in figures for the three engines is partly explained by differences in the time they have been in service.

An FAA directive requires pilots to shut down Rolls-Royce engines immediately if engine-vibration meters in the cockpit register above a certain level.

## Canada, Despite Strains With U.S., Is Ready to Cooperate on Missiles

By Henry Giniger

New York Times Service

OTTAWA — Despite strained relations with the United States, Canada has agreed in principle to allow the U.S. Cruise missile and other weapons to be tested over its territory.

A treaty covering weapons testing over the province of Alberta and other areas is now being drawn up and is one of several recent moves showing Canadian cooperation with important elements of U.S. foreign and military policy.

Another example was Canada's support for the recent election in El Salvador, although Ottawa had some reservations about it and has generally held a different perspective than the United States on the Central American situation.

This willingness to continue as a close ally has been displayed despite criticism in Washington of Canadian energy and industrial policies that are deemed to hurt American economic interests. The Canadian actions have not come without some political cost, however, as protests against the U.S. military and Latin American policies have been vocal at times violent.

Late last month, Mark MacGuigan, secretary of state for external affairs, was spat upon, insulted and threatened in Vancouver by a group enraged by Canada's willingness to allow the flight tests of the Cruise missile, which would not carry nuclear warheads during testing. In the House of Commons, opponents have reminded Prime Minister Pierre Elliott Trudeau that four years ago he called for a policy of "suffocation" of the arms race by stopping all development and testing of weapons delivery systems.

Mr. Trudeau replied that the policy could not work if the Soviet Union did not accept it. "We are not doing this for the United States," Mr. MacGuigan said, re-

ferring to the testing during a debate in the House of Commons. "We are doing this for ourselves and for the alliance to which we belong."

The U.S. Defense Department considers the Cold Lake area of northern Alberta an ideal site for testing the missile because the terrain and weather conditions are similar to those in parts of the Soviet Union.

The Canadian government's willingness to go along with elections in El Salvador, a major element of U.S. policy in that country, has also drawn wide criticism not only from leftist groups here but from many church leaders concerned about human rights violations in Central America.

Canadian officials have criticized the shipment of arms to Central America from the United

States and other nations. They have also warned Washington against viewing the issue exclusively in terms of East-West rivalries "because these are not at the root of the problem," according to Mr. MacGuigan. But Ottawa's criticism has been muted and it has taken no initiatives that could embarrass Washington.

Canadian diplomats say there has been no overt attempt to link the cooperation to any effort to persuade the Washington to drop its campaign against Canadian policies that seek to screen foreign investment and to increase Canadian control over energy production and distribution, now dominated by American companies.

"It has been more implicit than explicit," an expert explained. "We just hope that Washington gets the message."

## O'Neill Reportedly Approves Talks On Details of '83 Budget Compromise

New York Times Service

WASHINGTON — Speaker Thomas P. O'Neill Jr. has told House negotiators to go ahead with the details of a budget compromise on the basis of the general outline worked out thus far, according to congressional sources.

The White House and congressional negotiators indicated last week that they were close to agreement on goals for tax increases, cuts in President Reagan's proposed increases in military spending and reductions in cost-of-living increases for benefit programs, including Social Security. The aim is to keep the deficit for the 1983 fiscal year under \$100 billion. The fiscal year starts Oct. 1.

But the negotiators said that they could not move beyond broad outlines to a final proposal without

the approval and involvement of Rep. O'Neill, a Massachusetts Democrat, Mr. Reagan and Senate Majority Leader Howard H. Baker Jr., Republican of Tennessee. The reported go-ahead by Rep. O'Neill leaves the next key move to Mr. Reagan.

"I assume Jim Baker is briefing the president, and if he says go ahead, then Tuesday we will begin the difficult process of nailing down the specifics," a source said Friday. James A. Baker 3d, the president's chief of staff, was with Mr. Reagan in Barbados over the weekend.

A go-ahead from Mr. Reagan would mean that he would accept some tax increases and reductions in his proposed military spending, and in Social Security benefits, the negotiators have said.



President Reagan and his wife, Nancy, romped in the surf at the Barbados home of actress Claudette Colbert as a Secret Service agent stood by. They left for Washington on Sunday.

## Reagan Wraps Up Vacation in Caribbean

From Agency Dispatches

BRIDGETOWN, Barbados — President Reagan on Sunday ended a five-day working holiday in the Caribbean during which he outlined plans to aid the region's economies and again expressed concern about the spread of Marxism in the area.

The president also made a radio broadcast Saturday to the United States in which he angrily denounced critics of his proposed cutbacks in the student loan program.

The president and his wife, Nancy, attended Easter services in the 109-year-old Saint James Anglican Church Sunday morning and left for Washington later in the day.

A White House spokesman, Larry Speakes, said Mr. Reagan had kept abreast of the dispute between Britain and Argentina over the Falkland Islands and had spoken by telephone several times to Secretary of State Alexander M. Haig Jr.

Asked about Mr. Haig's chances for success, Mr. Reagan replied that he would not comment.

The president had also been kept up to date on the situation in the Middle East after reports that Israel was on the brink of a military attack on Palestine Liberation Organization bases in southern Lebanon, Mr. Speakes said.

President Reagan, in a live five-minute radio broadcast to the United States on Saturday, asserted that his trip to the Caribbean led to worthwhile discussions with leaders in the region. He also angrily denounced critics of his proposed cutbacks in the student loan program.

Mr. Reagan said that students had been deliberately misled into thinking that the government was "snatching away" their loans.

He acknowledged that the amount of subsidy money to help students repay their guaranteed loans would drop from \$2.7 billion in the 1982 fiscal year to \$2.4 billion in 1983 under his proposals. But he said the total volume of loans being made available by private lenders was reaching an all-time high.

The administration estimates that the loan volume will go up even if its revisions are enacted. The president has proposed tightening eligibility for guaranteed loans and charging recipients higher fees for receiving them as a way of achieving its savings.

Mr. Reagan listed student aid programs he said still would be available, but failed to mention that he was asking for them to be cut back.

The president's decision to devote most of his radio address to student loans, even though his speech was also broadcast to other nations in the Caribbean, reflected a growing concern in the administration that his proposed revisions in the programs were heading for defeat in Congress this year.

Originally, Mr. Reagan had planned to address the problems of the Western Hemisphere and appeal for support for his \$1-billion aid package to the Caribbean this year.

He did speak of the strategic importance of the Caribbean islands, but he referred only briefly to his meetings with Caribbean leaders.



## First Blast in Europe

Already under heavy fire on issues of arms and arms control, the Reagan administration now faces an additional challenge on the nuclear front. Writing in Foreign Affairs magazine, four national security veterans — McGeorge Bundy, George F. Kennan, Robert S. McNamara and Gerard Smith — urge renouncing the traditional U.S. doctrine permitting, but not obliging, the first use of nuclear weapons in Europe against an overwhelming conventional attack.

They would have the United States pledge not to use nuclear weapons in Europe unless an aggressor had already done so. Secretary of State Haig responded a day before the article appeared, and thus the debate is joined.

It is important to note that leaving open the possibility of a nuclear response to a Soviet conventional attack in Europe, as the doctrine of "flexible response" does, is very different from asserting that such a response would surely come or even from planning or supporting the idea of one. The difference is essential. It gives Europeans the assurance they demand that their homelands will not instantly become a nuclear battlefield and, at the same time, warns a potential aggressor not to count on a quick victory based on American nuclear restraint. Ambiguity is at the heart of this doctrine, but it has successfully served its purpose of deterrence since NATO found "massive retaliation" no longer credible to the Europeans and shelved it 15 years ago. What is the case now for review?

The first reason, acknowledged by Secretary Haig, is the gravity of the issue. The second is that the numbers have changed: Not only is the U.S. tactical and strategic edge gone, but on both sides nuclear arsenals have expanded with no limit in sight. It is widely accepted now, even by the Reagan administration, that a nuclear war could escape control. Under public pressure, the administration is moving to the realistic position that a full-scale nuclear war would be an unspeakable calamity from which no winners could emerge. Likely escalation, certain devastation — is the American threat to meet a Soviet conventional attack with nuclear weapons still a plausible and credible deterrent? That is the key question.

Washington says yes, arguing that flexible response sobers the Soviets, preserves the alliance and gives a basis for arms reductions.

The critics say no, contending that a no-first-use doctrine, accompanied by a buildup of NATO conventional forces, would better serve deterrence, seal the alliance's nuclear cracks, "help in our relations with the Soviet Union" and ease arms control.

We feel the burden remains on the critics to show how a second-use-only doctrine would leave the United States more secure. No doubt, for instance, Mr. Haig exaggerates when he suggests that a declaration of no-first-use would require the United States to "reintroduce the draft, triple the size of its armed forces and put its economy on a wartime footing." Yet some greater effort would surely be needed, and not only in America but in Europe, where the Foreign Affairs authors concede, it is a question whether the allies have the political will.

Then, these authors appear to have a particular view of the Kremlin: "The Soviet government is already aware of the awful risk inherent in any use of these weapons, and there is no current or prospective Soviet 'superiority' that would tempt anyone in Moscow toward nuclear adventurism... We can escape from the notion that we must somehow match everything the rocket commanders in the Soviet Union extract from their government." Against this assurance of regularity must be set Mr. Haig's caution: "Let us remember, first and foremost, that we are trying to deter the Soviet Union, not ourselves. The dynamic nature of the Soviet nuclear buildup demonstrates that the Soviet leaders do not believe in the concept of 'sufficiency.' They are not likely to be deterred by a force based upon it."

Mr. Haig ignores the fact that the U.S. buildup, too, has shown a dynamic nature. He rejects too quickly the Nixon-Kissinger concept of sufficiency. Yet the critics, in their article, seem almost casual in their dismissal of possible Soviet adventurism. This is far from being the position of all these men in their other writings or utterances. But their collective inference in Foreign Affairs that Kremlin politicians are helpless against the intrigues of rocket commanders is strained, to put it mildly. Nevertheless, they are asking important questions, and it is not self-evident that standing government policy has anything like all the answers to them.

THE WASHINGTON POST.

## Iran on the Rebound

In the slow-motion war between Iran and Iraq, there is no American "side" and never was. But there are American interests, two of which could confusingly collide as the 18-month conflict nears some kind of climax.

Most obviously, the West has a stake in the independence and cohesion of Iran. With Soviet legions installed in Afghanistan, Iran is an even more important barrier to the extension of Soviet influence in the Gulf. From that vantage, Iran's respectable military showing is good news.

But a triumphant Iran run by the leaders of an intolerant sect can itself be expansionist and troublesome. That explains the heightened anxiety of the Gulf sheikhs and Jordan and Saudi Arabia as they attempt to shore up the resistance of Iraq's faltering regime. Hence, too, their split with Syria, Iraq's rival and Iran's supporter in this conflict.

No great issue of principle caused Iraq to invade Iran. The two countries have long disputed control of the Shatt al-Arab waterway. Iraq thought it could seize the waterway while Iran was in turmoil. It guessed wrong, lost the battle of attrition, and is now threatened with a counterinvasion. Iran fought back well with weapons and spare parts from an odd collection of sources, including Israel.

which saw the war as a way of diverting Arab energies from its own frontiers and promoting helpful new divisions.

Never mind the ideological confusion in all this. The more interesting point is that Iran's clergymen discovered that an army trained by the Great Satan and American-made weapons were superior to Iraq's arsenal of Soviet and French matériel.

Iran has also rediscovered the American press, lifting its veil slightly to improve its reputation. There seems to have been a significant relaxation of the terror; no executions of Baha'i adherents have been reported in the last three months.

Iran and the United States are not destined to be friends soon. But civil relations that serve mutual interests might become possible. The rivalries of the Middle East transcend any particular regime in any particular nation. For the United States, they create opportunities to defend the West's access to Gulf oil, to contain Soviet power, and to promote the acceptance of Israel.

If Iran's rulers now recognize their interest in respecting the norms of international conduct, Americans have reason to restrain their resentments and to encourage the trend.

THE NEW YORK TIMES.

## Other Opinion

### More on the Falklands/Malvinas

The hour has come to put into order our ideas and concepts of a world balance which is ceaselessly at the mercy of the initiatives of those who have no law but force.

The red warning light of the Falklands has lit up in the glacial atmosphere of the Antarctic. Have no doubt that Washington and above all, Moscow, will find the means to blow hot and cold there, and if possible, to take advantage of the situation.

— From *Le Figaro* (Paris).

The crisis facilitates Soviet penetration of South America.

— From *Il Tempo* (Rome).

It is probably the prospect of oil reserves... that precipitated the Argentine invasion — a move that has met with worldwide criticism. The consensus appears to be that the dispute should be resolved through diplomatic means.

That would probably have been a wise

course for Argentina to follow. As the matter stands, Britain is now not likely to settle for anything less than total withdrawal of Argentine troops, a loss of face that President (Leopoldo) Galtieri cannot afford any more than he can afford a British victory.

— From *The Daily Nation* (Nairobi).

The Colonialist intentions of both Argentina and Britain and the weakness of their prey must not be allowed to cloud the right of the Falkland Islanders to choose which master to serve — if they do not desire immediate independence. It is to be hoped that diplomacy will prevail over militarism in this sad affair.

— From *The Salisbury Herald* (Zimbabwe).

The United Kingdom must accept it is no longer the world power it was.

Britons still think the arrival of some warships flying (her majesty's) flag will be enough to put the invader to flight. But that is not so likely, no matter what international pressure is put on Argentina.

— From *El Pais* (Madrid).

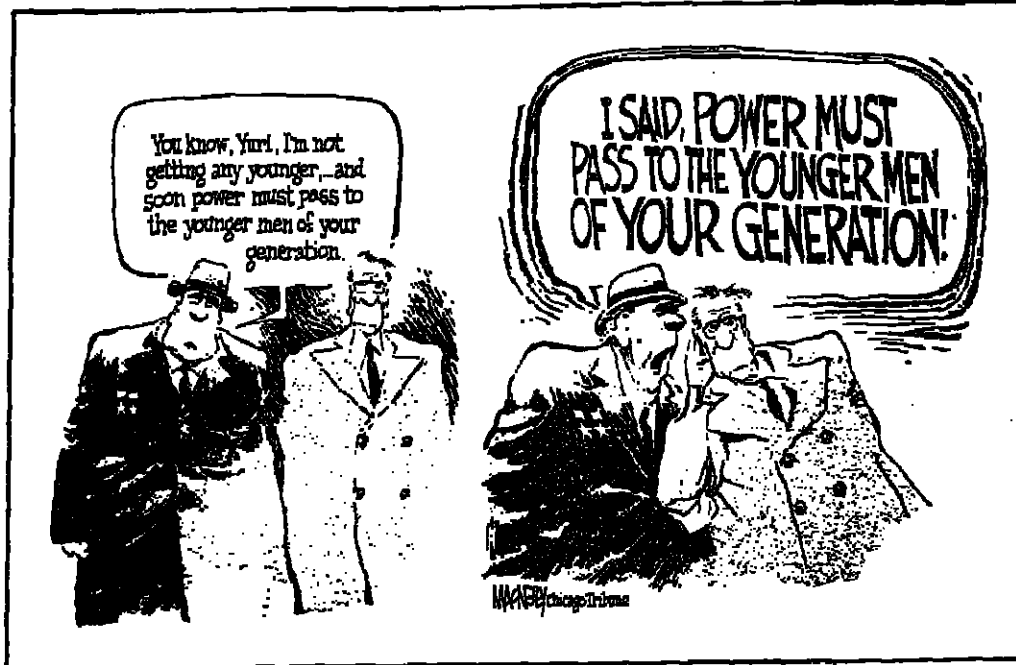
## April 12: From Our Pages of 75 and 50 Years Ago

### 1907: 'Monstrous Placards'

NEW YORK — The Herald comments in an editorial: "What is the use of employing trained architects to design the facades of buildings and spending millions to make them pleasing to the eye if they are plastered all over with monstrous placards and hideous advertising structures? Striving to outdo one another to catch public attention, the creators of these eyesores have resorted to more and more sensational devices and colors and increased the size of their signs on the fronts and roofs of buildings until some of the most central and otherwise beautiful portions of the city look like a country fair. These monstrous structures not only ruin the appearance of the city but are a menace to life."

### 1932: Hindenburg Re-elected

BERLIN — Marshal Paul von Hindenburg was re-elected to the presidency of the German republic by a clear majority of more than 2 million votes. The polling, a runoff vote necessitated by the 84-year-old veteran's failure to win a clear majority, as demanded by the constitution, in the regular election held March 13 last, represented an increase in the support both for the incumbent and for his chief opponent, Adolf Hitler, despite the fact that the ballots were approximately a million less than a month ago. Nationwide surprise was evoked by the gains of Hitler, who advocates reshaping the German state on the Fascist pattern and whose star was believed to have been definitely on the wane.



## Reasons for PLO Entry Into Talks

By David Lamb

BEIRUT — The U.S. State Department uses the term "clientitis" to describe the bias that besets many diplomats who have served a long time in a post and who gradually become more defenders than analysts of the host government's policies.

This bias frequently puts the Foreign Service officer in the field at loggerheads with his superiors back home and can also put him in the uncomfortable position of having to support U.S. policies that he believes do not serve the best interests of his country.

In the Arab world it is not surprising that many diplomats display what might appear to be a case of clientitis when they say that Washington needs to re-evaluate its Middle East policy and start a dialogue with the Palestine Liberation Organization.

What is surprising, though, is that this opinion is expressed, privately and in off-the-record conversations, by virtually every Western diplomat a journalist meets in the Middle East, outside Israel. Without such a dialogue, they say, there can be no eventual solution to the Palestinian problem and thus no permanent formula for peace in the Middle East.

"I think every rational political analyst realizes that the time has come to talk to the PLO," a senior American diplomat in Cairo says. "Like it or not, the organization is a political factor."

A Western envoy in Beirut whose country is one of Washington's closest allies adds: "It is childish for Washington to think Israel is its best friend and Syria its worst enemy because one is anti-Communist and one is pro-Communist. The Arab countries will not go Communist as long as they have a chance for reasonable relations with the West."

Those advocating dialogue with the PLO usually make four points to justify their position. They say:

• The PLO has only two options: It can use guns or it can use diplomacy. Since the outrages that culminated with the massacre of 11 Israeli athletes at the Munich Olympics in 1972, the PLO increasingly has relied on diplomacy and that posture must be encouraged and rewarded.

• The PLO leadership is distinctly bourgeois in

character, and it is a great deal easier to deal with doctors, engineers and attorneys than with professional ideologues. There is no heir apparent to PLO Chairman Yasser Arafat and if he were killed or dismissed, control could shift from the moderates — a relative term in this case — to the radicals.

• The PLO does not represent a threat to the existence of Israel. Countries such as Syria perhaps do but the PLO, with 25,000 guerrillas under arms in Lebanon, lacks the military capability to mount anything more than terrorist strikes in Israel and certainly is no match for the Israeli Army.

• The PLO, which President Reagan called a "gang of thugs" in his first policy statement on the Middle East, holds one of the keys to the course of history in this part of the Arab world. To pretend that the PLO does not exist only hampers Washington's attempts to negotiate a workable peace plan.

Although Washington has had limited, secret contacts with the PLO for at least eight years, Secretary of State Henry A. Kissinger promised Israel in writing in 1975 that the United States would not recognize or negotiate with the PLO as long as the organization refused to accept Israel's right to exist as stipulated in UN Resolutions 242 and 338.

There seems little likelihood, however, that Arafat will acquiesce to American demands and recognize the legitimacy of the Jewish state. To do so would be to lose the only real card Arafat has to play, the only card that gives him bargaining leverage.

On April 25, Israel is scheduled to return to Egypt the last portion of the Sinai Peninsula captured in the 1967 war. The next step in the Camp David peace process will be to resume the autonomy talks that are meant to lead to Palestinian self-determination in the Israeli-occupied lands.

But those stalled talks have been held without Palestinian participation, and recent events in the occupied West Bank are not likely to aid the development of an acceptable system of autonomy.

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## Why Sea Law Talks Deserve Extra Effort

By Jonathan Power

LONDON — The Law of the Sea Conference may no longer be foundering on its own rocks. The news from the United Nations Convention on the Law of the Sea, which began this session in Vienna, is that the conference is within reach of a final agreement. If there is success, it will be a historical milestone in the annals of nation-state competition and commercial exploitation.

An accord, arranging for mankind a fair distribution of its "common heritage" of the seas, would establish a precedent that could be applied to a multitude of human endeavors — dividing up oil-rich Antarctica or the moon and planets with their unknown wealth of minerals. Never before have the nations of the world attempted to define the rules before crossing the frontier.

The classic principles of ocean law were laid down by Hugo Grotius in 1609. It was the doctrine of the Freedom of the Seas.

It was an American president, Harry Truman, who first challenged the Hugo Grotius idea. In 1945 he proclaimed the jurisdiction of the United States over the seabed resources of the continental shelf. Three years later, Chile, Peru, and Ecuador raised the stakes by claiming 200-mile maritime zones and seizing U.S. tuna boats fishing in their waters.

It was in an attempt to find some accommodation to traditional new coastal jurisdictions and traditional high-seas freedom that the United Nations Law of the Sea Conference was convened in 1958. The result was one of the great negotiating texts of all time. Weighing the interests of coastal nations like the United States and the Philippines and Jamaica, and landlocked states such as Chad and Austria, it has managed to agree on 90 percent of a treaty.

### Free Passage

The Law of the Sea Treaty would roll back existing claims of territorial jurisdiction wider than 12 miles. It would write into international law the right to free and unimpeded passage through the 100 straits that are narrower than 24 miles wide. It would apply to all ships whether military or civilian, whether on the surface or submerged. And, while recognizing exclusive 200-mile economic zones for coastal states, it would not allow them to restrict the passage of ships or overflights of planes of other nations.

The significance of what is already agreed upon is not widely appreciated. But the fact is that if many countries asserted a claim to turn their 200-mile economic limits into 200-territorial waters rather than observing a 12-mile limit, it would put added pressure on the superpowers to build more foreign bases to compensate for limitations on the rights of passage. It also would increase the number of issues that would be likely to provoke clashes between Third World countries and the superpowers.

Imagine the situation of the Soviet North Atlantic fleet being

locked in because of a new 200-mile territorial zone around the Scandinavian countries, the Pacific fleet being locked in because of new limits on the Straits of La Perouse and Korea, and the Black Sea fleet locked in by new Turkish territorial claims over the Bosphorus and by Spanish claims over the Straits of Gibraltar.

Every time the Soviet fleet wished to move, it risked a conflict over rights of passage, it would seek, by way of compensation, major bases in distant oceans. Recall that Winston Churchill at Potsdam in 1945 neutralized Stalin's demand for bases to protect the Soviet right of passage through the Bosphorus by offering legal guarantees instead.

### Crisis Possible

Or imagine the situation if the United States no longer had automatic access to the Mediterranean and could not move within at access to the Gulf and the Red Sea, and passage through the straits of Malacca, Singapore, Lombok and Sunda. The chances of the United States, in a moment of anxiety, deciding to push aside one of the less powerful nations involved is real. At best, it could be another Suez-type crisis, at worst a conflict between the superpowers as the other side felt compelled to make a stand on behalf of the injured party.

In return for these concessions on free transit, it is not surprising that the smaller, poorer, landlocked nations of the world have demanded a price from the richer, larger and sea-bound nations. It is the right of access to the vast mineral deposits that lie on the floor of the ocean outside the 200-mile economic zones. The problem has been to define a system that balances the needs and expectations of the large Western mining companies against the desire of Third World nations to feel that the will not be crowded out for lack of expertise.

After much negotiating, the conference came up with the concept of the international seabed authority which would supervise the mining of the ocean floor under a form of dual authority.

Part of the ocean would be mined by an international body called the "enterprise," operating on behalf of the least technologically developed nations. And part would be mined by private mining companies. It is that relationship between the two wings of the authority, that is the major unresolved stumbling block.

No one would claim that resolving the points still in dispute is an easy task. The seas and the oceans that surround us, some two-thirds of our planet, are largely lawless, but laissez faire no longer suits our times. The law of the sea, if finally approved, could be a magna carta for the 21st century. For such an achievement, both sides should be prepared to go the extra mile.

The writer is editorial adviser to the Independent Commission on Disarmament and Security Issues.

## International Law And the Falklands

By William Pfaff

This is the second article of a two-part series.

PARIS — The government of the United States, which shut down its code-breaking office in 1929 because "gentlemen do not read each other's mail," has come a long way, learning in its turn to disregard bourgeois morality and international law. Others follow the superpower example: India in its unceremonious seizure of Goa in 1961 and its detachment of Bangladesh from Pakistan in 1971; China in undeclared wars against India and Vietnam; Colonel Qaddafi's Libya; Iraq in making an unprovoked invasion of Iran; Iran in kidnapping U.S. diplomats; both sides in what they have done to dismember Lebanon.

Yet international law, feeble as it is, the negotiation or adjudication of disputes, remains among the few safeguards we possess against anarchy, war and barbarism. Harold Nicholson, in his book on diplomacy, remarked of coups d'état and seizures of territory (he had in mind the Austrian annexation of Bosnia and Herzegovina in 1908) that, eminently successful as they may be at the time, they leave a destructive legacy of resentment, fear and search for revenge. The Argentines have nursed their grievance over the loss of the Falklands for a century and a half, and they finally did something about it. In the Bosnian case, "doing something about it" led directly to the destruction of the Austro-Hungarian Empire, and much else, by way of the assassination of Archduke Francis Ferdinand by a practical case against aggressions. The legal argument is abstract, and international "law" is itself a convention among nations, since there is no law-giving authority which nations are prepared to recognize. Civil or criminal law can be defined without leaving it weakened or diminished.

Convention is something else. If it is defied, it ceases to exist. The "laws" of war and international relations, the conventions of diplomacy, have no authority behind them. They exist because they are accepted. When they are no longer accepted they cease to exist.

The great powers may one day bitterly regret their so-called defiance of international law. The smaller powers have more urgent reason to respect that law, since their survival depends upon respect for the convention that they have the right to exist. Without the convention that they are sovereign states, why shouldn't the big powers take what they want, and do what they please? The small countries ordinarily do not have the power, themselves, to stop them. If Argentina miscalculates that Britain is too feeble or too demoralized to defend its South Atlantic possession, and seizes the Falklands, why shouldn't the United States do take what it wants from Argentina? Why shouldn't the United States do so? Why is yam imperialism and aggrandizement worse than Argentine? The generals who govern, or misgovern, Argentina today are no less to be feared than the generals who have appointed to rule the Falklands is Luciano Benjamín Menéndez, the man who, as commander of the 3d Army Corps in Córdoba during the dictatorship of General Videla lent his support to the so-called death squads, and said to a journalist, "While Videla governs, I kill." That provides a sufficient reason to recoil from the Argentine seizure of the islands; but it is a particular objection, implying that if Argentina were not a military dictatorship, and did not appoint such men to such posts, what has happened might be tolerable.

The truth is otherwise, in the breaking of an international principle, done at the onset with enthusiasm and conviction and only afterward to be seen as cracking one of those slender props which the past has provided to sustain the future.

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## Easing the U.S. Stand On Soviet Oil Pipeline

By Nathaniel Samuels

NEW YORK — The Reagan administration ought to soften its opposition to the proposed Siberian natural-gas pipeline to Western Europe and to view the issue in larger terms.

Washington has opposed the Soviet pipeline on two grounds. First, it is concerned that Moscow's potential for exercising economic and diplomatic leverage on Western Europe would be increased once imported gas became part of the normal energy supply of European economies. Second, the Russians would earn large sums of foreign exchange. Foreign exchange, an economic necessity, is a defense against economic sanctions; it is also a key component in Moscow's "arsenal," allowing it to maneuver wherever the exploitation of political instability seems politically and ideologically promising.

Many Europeans have a different perspective. They consider that the pipeline assures them of further diversification of energy sources and further protects them from the loss of energy from the volatile Middle East. Although the pipeline would contribute substantially to Europe's natural-gas requirements, up to one-third of France's — it would cover less than 5 percent of its total energy needs. The West Germans argue that these imports would not exceed 20 percent of their natural-gas requirements and hardly more than 5 percent of their total energy consumption. For European countries, the importance of the gas to their economies outweighs the leverage it might give Moscow.

### Fact of Life

Many Europeans acknowledge that the Kremlin might apply economic pressure to gain political objectives by manipulating the supply of gas. But they understand the Kremlin's capacity for diplomatic maneuver as a fact of life to which geographic proximity requires them to resign themselves. Moreover, the rather broadly prevailing political assessment in Europe is that the danger of overt Soviet military action in Western Europe is remote. These attitudes are by no means universal but are widespread.

Lurking behind this bland political assessment of the reality of the Soviet threat is persisting economic pressure. While Western Europe's trade with the Soviet Union and other Eastern European countries is marginal compared to its total external trade — perhaps not more than 5 percent for West Germany — this margin is important when Europe's nagging problems of industrial readjustment, competition and high unemployment are considered.

Under these circumstances, commercial and political pressures

to take advantage of any export possibilities are irresistible. Hence, many Europeans tend to rationalize their active trade in Eastern Europe, and the extent of the financial risks undertaken, by the Russian bear, while not benign, harbors no uncontrollable urge to stray westward. This outlook is obviously contrary to widespread U.S. opinion and is entirely rejected by the Reagan administration.

In light of the strong European support for the pipeline and deep-seated American concerns about the extent of the Soviet financial accommodations involved, the United States, Western Europe and Japan could strike a deal whereby Washington would support the pipeline, and the other partners would agree to an organized, systematic coordination of lending and credit policies toward the Soviet Union, Eastern Europe and European countries. In addition, alternative sources of natural gas in Western Europe could be further developed, and plans made to ship liquefied natural gas from overseas. Such contingency planning is essential on both economic and defense grounds.

### Monitoring Pact

Also, the allies and Japan could undertake efforts to coordinate their lending and credit policies toward the East, to monitor Warsaw Pact countries' abilities to service their debts, to help avoid excesses of availability of credit arising from private-sector and government courting of Eastern trade, and to maintain national financial policies consistent with common aims. Trade sanctions in this environment might become a less acrimonious problem between the United States and its allies.

The coordinating financial tasks could be undertaken by the Bank for International Settlements, in Switzerland, in which the United States though not a member is an active, influential participant. There are other international organizations, such as the Organization for Economic Cooperation and Development, in which the work could be carried out.

The issue, rather than serving as a source of discord, might be used to strengthen allied economic cooperation in dealing with the Soviet Union and Eastern Europe.

The author is an advisory director in the investment banking firm of Lehman Brothers, Kuhn, Loeb Inc. He was undersecretary of state for economic affairs from April 1969 until June 1972. This article was adapted for the New York Times from an article to appear in the summer issue of *The Washington Quarterly*.

## INTERNATIONAL **Herald Tribune**

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## New Bangladesh Leader Sees Soviet Danger

Gen. Ershad Praises Reagan as a Strong Leader, Repeats Reform Pledges

By Colin Campbell

New York Times Service

Gen. Hussain Mohammad Ershad, Bangladesh's new military ruler, has said in an interview that he believes the Soviet Union is "very dangerous."

He also said that Bangladesh felt "nothing but friendship" toward the United States, and that he thought President Reagan is a strong leader.

Gen. Ershad also confirmed reports that two Soviet Embassy attaches were arrested a week ago while trying to force unexplained reasons to set fire to nearly 600 reels of movie film.

In the 75-minute interview, Gen. Ershad said that the military government was taking power in a military coup March 24, also made the following points:

• Not even family ties with army officers will save the lives of former Cabinet ministers if they are found guilty by military tribunals of corruption. "We can hang them," Gen. Ershad said.

• Democracy will be restored

"without a doubt" within two years, and unspecified rights of expression and political activity may be restored sooner.

• Western and Chinese diplomats were sounded out for their possible reaction in advance of the coup. These diplomats have said since that the aid on which Bangladesh depends will continue. All the major nations except the Soviet Union were informed the evening before the coup was staged, and India was told several days earlier.

• The Bangladeshi Army includes some "booths" in Gen. Ershad's words, who may press for more drastic changes than the arrests of half a dozen ministers on charges of corruption and the promise to feed the poor, develop the economy, and improve government administration.

The general also said, in response to both oral and written questions submitted in advance, that he intended to revitalize industry, dismiss unproductive bureaucrats, improve the performance of government-owned enterprises, "go all out" for agriculture, encourage free

enterprise, continue the program of the late President Ziaur Rahman of voluntary public works, and improve birth control. He said the country's recent record was so bad that he was "ashamed" to talk about it.

Gen. Ershad said that his government planned some form of land redistribution, but he did not elaborate. More than three-quarters of the rural work force is now landless, compared with 50 percent 12 years ago.

The Soviet attaches who were arrested March 31 about 20 miles (32 kilometers) northwest of Dhaka while trying to burn the films were charged with "vicious movements," endangering the forest and creating a health hazard, an official said in a separate interview. Gen. Ershad said, "We're just waiting to find out" what the films contain and why the two men were trying to burn them.

Russians Termed 'Crude'

The incident was at least the second confrontation with the Soviet Embassy in the past year. In June, the embassy was barred from importing what appeared

to be electronic monitoring equipment.

In other remarks on the Soviet Union, Gen. Ershad said: "We cannot trust them so much. They are very crude. They have such a mighty military machine."

"And it is your fault," he added, referring to what he called inadequate U.S. responses to past Soviet moves. "We are really scared about what they may do next."

Bangladesh, the former East Pakistan, which became independent in December, 1971 with India's help, was once considered to lean moderately in the direction of the Soviet Union, which had supported India's policy in the struggle for the independence of Bangladesh while the United States quietly favored Pakistan.

Soviet prestige in Bangladesh fell rapidly after the assassination in January, 1975 of the country's first president, Sheikh Mujibur Rahman, who was strongly pro-Indian.

Some diplomats believe that the accession of Gen. Ershad to power reflects a gradual shift in Bangladesh toward China, the



Lt. Gen. Ershad

Western nations, and the Arab oil producers of the Gulf. The influence of the Gulf states is said to have grown in recent years.

Gen. Ershad sounded some notes of doubt. On the economic problems of this nation of 90 million people, one of the world's poorest with a gross national product of \$100 per capita, he said: "One does not actually know where to begin. But we are trying to tackle them one by one."

## Robert Havemann, E. German Dissident, Dies in Berlin at 72

From Agency Dispatches

BERLIN — Robert Havemann, 72, a prominent East German dissident, died Friday of heart and kidney disease at his East Berlin home, members of his family said.

Prof. Havemann was a member of the German resistance movement against the Nazis during World War II and was sentenced to death in 1943. At one time he

was imprisoned at hard labor by the Nazis, with the current East German leader, Erich Honecker.

Prof. Havemann was a member of the East German People's Chamber from its inception in 1949 until 1963, when he delivered a series of lectures at Humboldt University in East Berlin sharply criticizing the totalitarian nature of the East German regime.

The lectures led to his expulsion from the Communist Party and his removal as a professor of chemistry at Humboldt.

Although always maintaining his belief in a Socialist society, Prof. Havemann continued, through articles in Western newspapers, to criticize the East German regime and demand its liberalization.

In 1968 he spoke in favor of the Prague Spring and in 1979, on the occasion of the 30th anniversary of the founding of the German Democratic Republic, he demanded an end to laws restricting freedom of expression and the release of political prisoners in East Germany. He was subsequently placed under house arrest and was harassed with petty charges until his death.

More recently Prof. Havemann found a fresh cause in the budding East German peace movement, which he fervently supported.

Toward the end of last year, he drew up his "All-German peace initiative," demanding an end to the use of weapons in East and West Germany.

Prof. Havemann wrote an open letter to President Leonid I. Brezhnev of the Soviet Union before Mr. Brezhnev's visit to Bonn in November, urging the withdrawal of all foreign troops from East and West Germany and the establishment of a nuclear-free zone as a possible step toward some form of reunification.

At the beginning of this year he signed a peace appeal with the motto "Make Peace Without Weapons." The slogan was later declared illegal by the East German authorities.

Ralph W.E. Jones

GRAMBLING, La. (AP) —

Ralph Waldo Emerson Jones, 80,

president of Grambling State Uni-

versity for 41 years before retiring in 1977, died Friday from complications after gallbladder surgery.

He built Grambling from a collection of clapboard shacks into one of the leading U.S. black colleges.

Mr. Jones was hired to organize a football team and marching band in 1926 at what would become Grambling by Charles P. Adams, who had been sent to northern Louisiana by Booker T. Washington 25 years earlier to teach former slaves about nutrition, farming and food preservation.

1962 hit musical "A Funny Thing Happened on the Way to the Forum" and the director of the 1971 revival of "No, No, Nanette," died Thursday in London, where he had lived for about 15 years.

HERMOSILLO, Mexico (UPI) — Francisco Barrios, 28, a former Chicago White Sox pitcher who entered a drug rehabilitation center last summer after two packets of cocaine fell out of his pocket when he was arrested for disorderly conduct, died Friday of a heart attack.

Mr. Barrios was reportedly about to sign with the Milwaukee Brewers after a spending the winter season in the Mexican Pacific League. He had a lifetime record of 28-31 in eight seasons with the White Sox.

Choe Hyon

TOKYO (AP) — Choe Hyon,

74, North Korea's defense minister

from 1968 to 1976, died Friday.

Radio Pyongyang reported.

Burt Shevelove

NEW YORK (NYT) — Burt

Shevelove, 66, the co-author with

Larry Gelbart of the book for the

Malaysian Jungle Keeps Its Secret

Of a Disappearance 15 Years Ago

The Associated Press

CAMERON HIGHLANDS, Malaysia —

The fate of a former U.S. intelligence officer who became a

prosperous Bangkok businessman

remains as much a mystery today as

when he vanished 15 years ago.

Jim Thompson, who introduced Thai

silk to world markets, disappeared

from this mountain resort on March 26,

1967, while on a holiday with friends.

He was declared legally dead in 1974.

Theories about what happened range

widely. Some said he was kidnapped

by business rivals or political foes.

Others suggested he defected to

China or went off on a secret mission.

Mr. Thompson served during World

War II with the Office of Strategic

Services, the forerunner of the Central

Intelligence Agency. He went into

business in Thailand after the war,

first helping to revive Bangkok's

famed Oriental Hotel and later organ-

izing the Thai Silk Co. Ltd. Mr. Thompson

taught weavers to produce brightly

patterned silks under strict standards.

He filled his home on the banks of a

Bangkok canal with Oriental art, and

it remains one of the city's chief tourist

attractions.

The last persons known to have seen

Mr. Thompson alive were his hosts, Dr.

and Mrs. T.G. Ling of Singapore. They

told the police that they assumed he

left their cottage for a stroll. "It was

his third visit to our cottage," Mrs. Ling

said in a recent interview in Singapore.

"This business of his being lost in the

jungle is nonsense. Even if a tiger got him,

there would have been remains, such as

a watch or shoes.

Other experts agreed. Richard Noone, a

British who spent a decade tracking

Communist guerrillas during the 1948-1960

Malayan Emergency, said: "I am fully

convinced that Mr. Thompson is not lost

in the jungle."

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## Sri Lankan Left Is Uneasy Over Growing Reliance on West

By Michael T. Kaufman

New York Times Service

COLOMBO, Sri Lanka — Three years ago a senior diplomat at the U.S. Embassy here complained to a friend that while he loved living on this island, his work was fairly dull.

"This is the kind of place where you have to wait in line to get your reports onto the back burner in Washington," he said. Since then things have changed.

This island democracy of 14 million now receives more U.S. aid per person than any other country in Asia. A Voice of America radio station has been made more powerful. U.S. private investment is increasing geometrically and the Reagan administration has heaped praise on the market-oriented development strategies of the Sri Lankan government.

The pro-Western honeymoon, with its strengthening ties to Washington, has had a visible and booming effect on this poor but proud and highly literate society. Tourism is in high gear, the stores are filled with imported items, and chronic unemployment has been somewhat eroded by the new businesses that have been set up by foreigners lured here by heavy tax holidays.

Leftists' Concern

Still, some Sri Lankans are uneasy about these changes, and

members of the small but articulate left are wondering aloud

whether the price of the proliferating links to Western capital will be

military and strategic links to Western capitals.

For example, Anura Bandaranaike, an opposition leader

and the currently estranged son of

former Prime Minister Sirimavo

Bandaranaike, contends that "Sri

Lanka's nonaligned foreign policy

has taken a pro-United States tilt

after the current government took

office nearly five years ago." He

pressed her repugnance for the

practice to the Manila govern-

ment.

Although Mr. Marcos an-

nounced that he would ban dog

meat he has not yet put through a

new law to do so. But he has in-

voled a little known law dealing

with cruelty to animals, and arrests

of dog-meat dealers have recently

increased.

The major center of the appar-

ently extensive and profitable dog-

meat business is here in San Pedro,

20 miles (32 kilometers) south of

Manila, on the Philippines' main

island of Luzon.

Officials of the Bureau of Animal

Industry and the national meat

inspection commission say the

major reason for banning the

dog-meat business is the danger of

transmitting animal diseases to

humans.

The law requires that slaught-

erhouses be licensed and that their

meat be inspected. While the sale

of dog meat is not specifically

banned, a 1973 law governing

slaughterhouses excludes it from a

list of accepted food animals.

"I can barely feed my nine chil-

dren but now I must also feed

these dogs," Mr. Medina com-

plained. "What am I supposed to

do? I might as well join the rebels

in the hills and fight the govern-

ment."

Both dog-meat-eaters and their

critics say the practice of eating

dog meat has nothing to do with

poverty. Rich and poor eat it, they

say.

Aurelio Belsa, a San Pedro dog

dealer, said he has lived off the

profits of the trade for more than

30 years and has also raised seven

healthy children on dog meat.

"The doctor says it's not good to

grow fat and he told me never to

eat pork," Mr. Belsa said. Then,

putting a potbelly, he added, "This

is from dog. I asked the doctor

about dog meat and he said it's

good."

Nutritionists and dietitians say

that dog meat has as much nutri-

tive value as any other meat but

that there are no scientific studies

verifying its alleged medical or

other benefits. The drinking of dog

blood, for example, has been said

to cure tuberculosis.

Qualberto Lumaug, an assembly-

man, said dog-eating is a tradi-

tion among mountain tribesmen,

including his own, in northern Lu-

zon. "There is this belief that it not

only is good for the health but also

heightens virility and makes war-

riors more aggressive in combat,"

he said. He added that dog meat

also is believed to give the body the

warmth needed to survive the re-

gion's temperate climate.

It is from that region that the

practice of eating dog meat is be-

lieved to have spread, Mr. Lu-

maug, however, questioned this,

noting that dog meat is also eaten

in Thailand, Indonesia and China.

He said that he does not eat dog

meat but that his wife likes it.

He has introduced a bill in the

national assembly that would in-

crease



# International Bond Prices — Week of April 8

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

## RECENT ISSUES

Am. Security	Yield	Price	Life	Yield	Price	Life
100% 1982 Apr	9.374	100.00	15.34	100% 1982 Apr	9.374	100.00
100% 1982 Apr	9.374	100.00	15.34	100% 1982 Apr	9.374	100.00
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100% 1982 Apr	9.374	100.00	15.34	100% 1982 Apr	9.374	100.00

## STRAIGHT BONDS

All Currencies Except DM

Am. Security	Yield	Price	Life	Yield	Price	Life
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## HIGHEST YIELDS

to Average Life Below 5 Years

Am. Security	Yield	Price	Life	Yield	Price	Life
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100% 1982 Apr	9.374	100.00	15.34	100% 1982 Apr	9.374	100.00

## HIGHEST CURRENT YIELDS

Am. Security	Yield	Price	Life	Yield	Price	Life
100% 1982 Apr	9.374	100.00	15.34	100% 1982 Apr	9.374	100.00
100% 1982 Apr	9.374	100.00	15.34	100% 1982 Apr	9.374	100.00
100% 1982 Apr	9.374	100.00	15.34	100% 1982 Apr	9.374	100.00
100% 1982 Apr	9.374	100.00	15.34	100% 1982 Apr	9.374	100.00
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100% 1982 Apr	9.374	100.00	15.34	100% 1982 Apr	9.374	100.00
100% 1982 Apr	9.374	100.00	15.34	100% 1982 Apr	9.374	100.00
100% 1982 Apr	9.374	100.00	15.34	100% 1982 Apr	9.374	100.00

Am. Security	Yield	Price	Life	Yield	Price	Life
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(Continued on Page 8)

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# Bic and Gillette — 'a Real Hate Relationship' — Intensify Their Cutthroat Competition

By Nathaniel C. Nash

New York Times Service

**NEW YORK** — Bic and Gillette are at it again. Like two alley cats, the companies will not stop having battles steadily for seven years over the market for throwaway pens and shavers. But the heat of the conflict has been rising of late.

Bic Pen, which made its name in 19-cent ballpoint pens and held up to 80 percent of the U.S. market, has been losing market share steadily over the last three years to Gillette and its Write Bros. pen line. Many office suppliers now say that they are selling almost as many Write Bros. pens as Bics.

So Bic hit at the heart of Gillette's profit-making center — razors and blades — with a disposable single-edge razor.

Last month Bic started a multimillion-dollar advertising campaign in which it challenges the claim that Gillette's double-edged Trac II shaves closer than Bic's single-edge razor. Using an electron microscope, touting what it calls

independent clinical tests and displaying rather unflattering images of whiskers shown by both a Trac II and a Bic, the ad claims that both cut equally close, but that the Bic is 23 cents less at retail.

Gillette's response was immediate. The company called the Bic ad "false and deceptive," and within three weeks it hit with its own ad, featuring the line "Guys, we've got some good news and some bad news." The good news, of course, is Gillette's superior shave, and the bad news is Bic's inferior product.

Jeffrey D. Aschenberg, an analyst at L.F. Rothschild, Unterberg, Towbin, said, "Bic and Gillette have a real hate relationship. It is much more than your normal market competitive-ness."

To such observations, Gillette and Bic plead a certain innocence. Gillette executives decline to talk about the rivalry, except to say that their latest razor ad was in the works long before Bic's appeared and that they intend to aggressively protect their markets.

Bic is a little more forthcoming. "People try to make this into a personal thing, and it just isn't," said Bruno Bich, the new president of Bic Pen and the son of Marcel L. Bich, the founder of Bic's \$700-million French parent, Societe Bic.

"I don't know what Gillette's so upset about," said Mr. Bich. "I just want a small piece of the razor market. Why doesn't Gillette come out with an ad against Schick?" he said, referring to the industry's No. 2 company.

Perhaps the most disconcerting thing to Bic has been its declining share in the stick-pen business, which accounted for about a third of its \$127.7 million in sales last year. Pens have historically been its money-maker. And that declining market share comes on top of a year that saw profits drop to \$8.2 million, from \$12.3 million in 1980.

The company lost money in razors and made only \$3.2 million in pens, compared with \$15.8 million in 1980. The poor earnings were the result of high interest rates, plus Gillette's persis-

tence in keeping pen prices down, and the promotional cost of \$10 million for the company's new rolling ball pen.

Mr. Bich, who at 35 seems mildly amused and confident at taking on the \$2.3-billion Gillette, said, "One thing I know is that both of us are making very little money in the pen business."

Bic is still ahead of Gillette's Write Bros., claiming a 60-percent market share. But analysts and office suppliers say that lead is steadily dwindling.

Bic, typically, is fighting back. Rather than following Gillette's price down, it has quietly been marketing a new line of stick pens, called the Biro — a pen that, interestingly enough, looks much like Gillette's. Mr. Bich noted that the company can make the Biro available to retailers at a lower price than the Gillette pen, while maintaining a normal profit margin.

With the stick pen representing a \$120-million industry last year, Bic's big guns are in razors, a \$630-million market last year. In

blades, Bic has about 11 percent of the market, compared to Gillette's 60-percent share.

While it has considerable expertise from overseas markets controlled by its parent company, Bic has lost money in razors from the beginning in the United States, suffering a total of \$15 million in red ink over the last three years. But analysts agree that Gillette has good reason to consider Bic's move soberly.

Mr. Aschenberg said, "For all of its troubles, Bic is outstanding at getting good consumer identification for low-price, high-turnover, mass-marketed goods in a short time."

Indeed, Bic is known for its high degree of automation and ability to produce its products at very low cost.

Perhaps Gillette remembers all too well Bic's entrance into disposable cigarette lighters in 1973. Within four years Bic's model had passed Gillette's Crickler model. Currently, the Bic lighter is its most profitable line, and it sells for 10 percent above the price of the Crickler.

As to the eventual winner of this round of

rivalry, Jack L. Salzman, an analyst at Smith Barney Harris Upham, doubts Bic will be triumphant.

"What if Gillette decides to start matching Bic in price in razors?" he said. "And even more perversely, what if Gillette begins a price war in lighters? It might hurt Gillette for a year, but it could set Bic back for five."

"Where Bic has failed has been in not staying abreast of the technological advancements in their products." The company puts a low-priced product on the market and just lets it sit, he explained.

By contrast, Gillette tends to hit regularly with new products, and has proved ready to adjust rapidly on the price front.

Mr. Salzman did offer a solution — a pricing truce across the board, as currently seems in effect for lighters.

It does not look likely at the moment, however, and at least one of the players seems to be counting on a continuation of the action. "It's like a long chess game," Mr. Bich said.

## Modest Rise In U.S. M-1 Eases Fears

From Agency Dispatches

**NEW YORK** — A modest \$900-million increase in the basic measure of the U.S. money supply was hailed by a number of bankers and economists as being right on target.

"They saw it as a sign that the Federal Reserve has the money supply under control and will likely defer any plans to tighten monetary policy until late April or early May, despite forecasts calling for a large rise in the money supply this month."

The Fed announced Friday that the M-1, which measures currency in circulation plus deposits in all checking accounts and traveler's checks, rose to a daily average of \$446.6 billion in the financial week ending March 31 from \$445.7 billion the preceding week.

Most participants in the money markets had expected a money supply rise of \$1 billion to \$3 billion. A possible result, the market participants said, could be a lowering of interest rates in the weeks ahead.

As its target for 1982, the Fed is seeking to have M-1 expand within a range of 2 1/2 to 5 percent. In the last 52 weeks, at 5.3 percent, it has been within the target range. In the last quarter, however, M-1's expansion, at 6.3 percent, has been somewhat above the target range.

"This is a very small amount above target," said Edward A. Friedman, a financial economist at Wharton-Economics Forecasting Associates. Mr. Friedman estimated that M-1 was \$1.2 billion to \$1.4 billion above the desired level.

The Fed also reported that the annual rate of growth of M-2, the broader money supply measure comprised of M-1 plus some money market funds and time deposits, was also modestly above the central bank's targets in March.

Wayne Lyski of Morgan Guaranty Bank & Trust Co. said he believes the Fed will continue to pursue a steady policy until it has a clearer picture of how the aggregates, particularly M-1, will behave in April.

Furthermore, some analysts now expect the first spike in money growth, expected in the figures to be released Friday, will not be as large as initially anticipated.

The early payment of social security checks this month has led to speculation that M-1 for the week ended April 7 could show an increase of \$5 billion to \$11 billion.

But Irwin L. Kellner, senior vice president of Manufacturers Hanover Trust, also said that he did not think the traditional April surge in the money supply would occur.

"The Fed has been tight since January, and this latest money supply figure makes me more confident that the widely anticipated blip will not occur," he said.

In Chase Manhattan Bank's latest "Money Market Report," economist Philip Braverman said the increase could be closer to \$2 billion or \$3 billion.

## To Our Readers

The Euromarket reports by Carl Gewirtz will appear in Tuesday's editions.

## Oppenheimer Empire Boosts Investments in N. America

By Thomas W. Lippman

Washington Post Service

**WASHINGTON** — The South African diamond and minerals empire controlled by Harry F. Oppenheimer is rapidly becoming a major investor in mining, energy and commodities companies in the United States and Canada.

Through a subsidiary called Minorco, a Bermuda-based holding company, the South African firm Anglo American and De Beers have invested hundreds of millions of dollars in North American coal, uranium, gold, copper and other important minerals.

Documents filed with the Securities and Exchange Commission show that dozens of mining and minerals companies throughout the United States and Canada are wholly or partially controlled by the South African interests. And a New York researcher says the South African group has been one of the biggest foreign investors in the United States over the past two years.

The investments reflect a long-range corporate strategy that Mr. Oppenheimer, chairman of Anglo American and De Beers Consolidated Mines, developed in the 1970s and spoke about publicly at the time. He sought to expand his companies' stake outside South Africa for economic and political reasons, and transferred assets now worth more than \$2 billion to the Bermuda subsidiary to circumvent his country's curbs on the export of funds.

The Benefits

Corporate research specialist Ruth Kaplan says in a report to be published by the Africa Fund, the policy of investing in North America "offers a stable area politically and economically, it is an area rich in mineral and energy resources and the company will realize a high return on successful investment."

"In addition it allows them to position themselves outside South Africa in the event of trouble there."

In addition to investments by Minorco, she said, "a total of 144 separate investments in North America by the Anglo American group have been identified."

Business relationships between North American firms and South Africa have been controversial for many years be-



cause, critics say, they contribute to the economic power of the white-minority regime in South Africa and support its apartheid racial policy. Most attention from church groups, institutional investors and stockholders has focused on involvement in South Africa by U.S. corporations.

Citicorp, parent of the giant Citicbank, for instance, has continued to make loans to South Africa when most other major banks have stopped doing so.

Forging Links

The extent of South African investment in the United States — which has the same effect of forging links of mutual interest between U.S. and South African companies — has been little noticed.

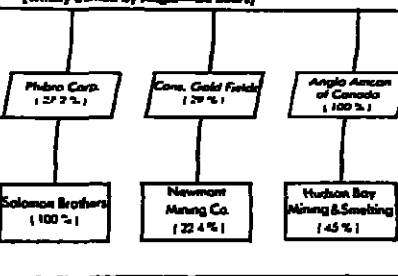
A few critics who have examined South Africa's growing involvement in the U.S. economy have objected that the investments are financed by the fruits of apartheid, and strengthen the power of the ruling minority.

According to Miss Kaplan, whose findings are confirmed by SEC records and by investment experts in the Commerce Department, "Anglo American is the biggest single economic factor in South Africa." De Beers "operates a monopoly in the diamond trade, marketing 80 percent of the world's diamonds, including the Soviet Union's."

Mr. Oppenheimer is chairman of Mi-

## Oppenheimer's North American Empire

(Wholly owned by Anglo-American)



norco. Also on the board are Citicorp Chairman Walter B. Wriston; Robert Clark, a partner in the New York law firm of Shearman & Sterling, which represents Citibank; Felix G. Rohatyn, head of the investment banking firm Lazard Freres; and Cedric Ritchie, chairman of the Bank of Nova Scotia.

Minorco, which is wholly owned by the Anglo-American group and its subsidiaries, is the largest single stockholder in Phibro, the giant New York commodities trading company. Minorco, according to SEC records, owns 27.2 percent of outstanding Phibro shares, a stake worth almost \$450 million. H. Ronald Fraser, president of Minorco, sits on Phibro's board of directors.

Phibro had worldwide sales of more than \$25 billion last year, a fourfold increase from five years earlier. It is also the sole owner of the New York investment house of Salomon Brothers, which Phibro acquired last year for \$800 million.

That acquisition, Miss Kaplan noted, offers Minorco "potential new sources of capital and different ways to get at it," because of Salomon Brothers' expertise at corporate fund raising and mergers.

Phibro became a separate company last year when it was spun off from the former Engard Minerals & Chemicals Corp., now known as Engard Corp. Minorco is the largest stockholder in Engard.

with 27.5 percent of the company's shares. Engard in turn owns petroleum and minerals subsidiaries, and controls a major segment of the market for kadiol.

Another branch of the Anglo American complex runs through Consolidated Gold Fields of Britain. De Beers secretly acquired 29 percent of Consolidated's stock in 1980, then transferred its holdings to Minorco in exchange for Minorco stock.

Consolidated Gold is the largest single stockholder in Newmont Mining, one of the largest U.S. copper producers. Consolidated owns 22.4 percent of Newmont's shares and has an option to increase its stake to 26 percent.

Newmont controls an extensive network of oil, uranium, zinc and cement companies, including sole ownership of Atlantic Cement, Newmont Oil, and Carlin Gold Mining of Nevada, and majority interests in Dawn Mining and Magma Mining.

Newmont also owns 27.5 percent of Peabody Coal, the biggest U.S. coal company.

Canadian Connection

In Canada, Anglo American of Canada, a wholly-owned subsidiary of Minorco, owns 45 percent of the stock of Hudson Bay Mining & Smelting. According to data compiled by Miss Kaplan, the chairman and chief executive officer of Hudson Bay is H. Ronald Fraser, the same Minorco executive who sits on the Phibro board.

Hudson Bay controls the Terra group of seed, fertilizer and agricultural warehouse companies in the Midwest farm states, according to Miss Kaplan's report. Amcan and Hudson Bay also hold a controlling interest in the Francana oil and gas companies in Canada, she said.

The Anglo American group's pattern has been to leave the operating management of its acquired or controlled companies in place, keeping an eye on its investment through its network of interlocking directorates.

"Anglo's control of its subsidiaries and affiliated companies is not organized in a hierarchical structure but rather as an associated group of companies with interlocking connections," the report says. "In effect, Anglo gets maximum control with a minimum investment."

## IBM Loses Ground as Competitors Enter Changing Typewriter Market

New York Times Service

**ARMONK, N.Y.** — IBM dominates two markets. One is computers. The other is the office typewriter. There, as in computers, the giant of Armonk is losing ground.

International Business Machines has owned the U.S. office typewriter market since the machines first became electric. It has been so successful, especially in the electric line, that it is now the only U.S. maker of heavy-duty typewriters and has almost 90 percent of the market.

But the tool the secretary uses to type letters and memos has been changing and is no longer merely electric. More and more, it is a computerized machine with memory and limited word-processing functions. And in this market for the so-called electronic typewriter, IBM faces numerous competitors, some as sophisticated in computer electronics as IBM itself.

Whereas in 1978 IBM held an estimated 94 percent of the electronic typewriter market, which was then worth about \$25 million, analysts now estimate its share to be under 50 percent and falling in a market that is worth almost \$300 million.

Clifford M. Lindsey, an analyst at Dataquest, a market research firm in Cupertino, Calif., said, "I'm predicting there will be 24 brands available by the end of 1982 and without an exciting technological development, IBM could

experience an erosion down to about 40 percent of the electronic market."

Xerox and Olivetti are perhaps IBM's two most formidable competitors in electronic typewriters. According to analysts, Olivetti's machine gave the computer giant the most competition last year, and in November Xerox introduced an impressive new line of typewriters.

To be sure, IBM's revenues from sales and servicing of typewriters were minuscule last year, compared to its total revenues. Analysts estimate \$900 million out of \$29 billion. But late last month,

the company sent the kind of signal that usually means the competition, along with the recession, is beginning to hurt.

For the first time it offered volume discounts on most models of its electromechanical and electronic machines. It also announced price cuts on most models, for the second straight year, ranging from 5 percent to 12 percent.

Electromechanical machines are still the most widely sold. 800,000 units were shipped last year, compared with 206,000 electronic typewriters and about 213,000 word processors. But analysts predict that as prices of electronic machines drop, the electric typewriters will all but disappear.

And that drop is proceeding apace. Mr. Lindsey estimates that electronic typewriter sales will double this year to about 400,000, while electric sales will fall 25 percent to 600,000.

In addition, the line between electronic typewriters and word processors is becoming increasingly blurred. As prices fall, manufacturers will be putting more sophisticated word processing functions and larger memories into electronic typewriters, effectively combining the word processor and typewriter.

IBM, along with Wang, Xerox and Lanier, are dominant forces in the \$2 billion word-processor market.

For IBM, the erosion of its electronic typewriter business is essentially a result of competition. Whereas in 1978 the market in-

cluded only one competitor, the Qyx division of Exxon Office Systems, last year 16 competing brands were being sold, including a number from Japanese companies.

Wall Street did not react strongly to the price cuts, primarily because they affect such a small part of IBM's business — about 3 percent of gross revenues and 1.5 percent of profits, according to Stephen C. Dube, an analyst at Dean Witter Reynolds. But Mr. Dube noted, IBM "for the first time in a long time is experiencing growing

pressure" from Xerox, which introduced four electronic typewriter models last November.

Alan J. Maccher, an IBM spokesman for its Information Systems group, in Rye, N.Y., declined to comment on sales except to say, "They have been and are meeting expectations."

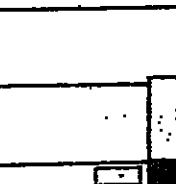
Competitors who are either in the typewriter field or are expected to join it soon, in addition to Xerox and Olivetti, include Silver-Reed, Brother, Olympia, Excon, Canon, Royal, Facit, Remington, Panasonic, Toshiba, Casio and Nakajima All.

Mr. Lindsey noted that Tokyo Judo Industries had recently introduced a \$495 electronic typewriter "that uses an IBM ball and has 1,000 fewer parts" than a \$775

## Sales of Electronic Typewriters

IBM is losing market share in electronic machines, but that market is growing.

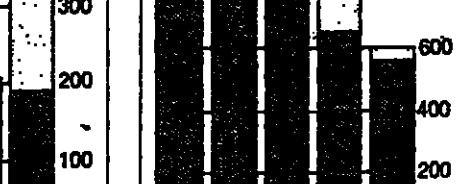
In thousands of units



## Sales of Heavy-duty Electric Typewriters

IBM is gaining market share in electric typewriters, but the market is shrinking.

In thousands of units



IBM model that IBM had withdrawn from the market earlier.

There will be a "huge price war" and "quite a scramble for market share before we settle down to a few suppliers," Mr. Lindsey said.

Mario Becchi, senior vice president for marketing and sales at Olivetti's U.S. headquarters in Tarrytown, N.Y., said the number of jobs involving typewriters and word processors is expected to stay flat or decline in the next three to five years.

About one million of those jobs already involve word processors and will continue to do so, he said. Of the remaining nine million, about half will use electronic machines with or without a memory or display writer and the balance will move from electric typewriters to "plain vanilla" electronic models without memories, he predicted.

"The electromechanical typewriter will die completely," Mr. Becchi said. "It's an obsolete product of the past."

Nonetheless, he said, IBM appears to be trying to justify the electromechanical machine with low prices, which they can afford because of the extent of their plant and equipment that nobody else can afford.

In so doing, IBM seems uninterested in fighting the intermediate battle of the electronic machines, Mr. Becchi said.

"The way I read it, they are cutting prices to stall penetration of electronic typewriters into their accounts."

He said the tactic would enable IBM "to stretch their factory and delay until they get close to jumping into whatever new technology they announce next."

Nervousness Remained

By the end of the week, the fall of the pound appeared to have abated, but the nervousness remained. Dealers recalled the Suez crisis of 1956, when the pound began to fall and Britain was unable to borrow the foreign exchange needed to support it.

One banker said, "Sterling crises have been known to bring down governments."

He noted that, for the first time, Britain is facing a military confrontation without exchange controls to provide a measure of protection for its currency. At the same time, the Bank of England has given indications that it is extremely reluctant to mount a sustained effort to hold the pound's value.

By far the most difficult development to measure is the damage to Mrs. Thatcher's political standing. Even if the prime minister remains, the erosion of her political influence could be substantial enough to affect her ability to press on with the economic strategy.

The Times of London said last week, "The financial cost of a change of political leadership and direction would be incalculable."

## Gold Options (prices in \$/oz.)

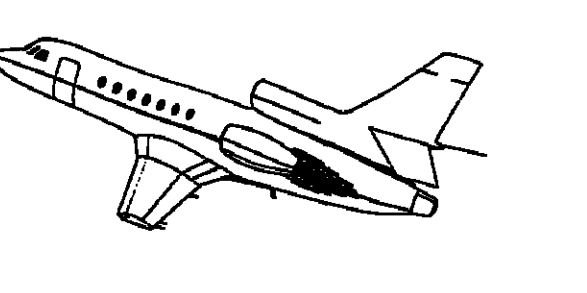
Source: Reuters

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30	27.00/00	—	—
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# Canucks Sweep Series; Kings Threaten Oilers

**CALGARY, Alberta.** — The Vancouver Canucks have become the first team to advance to the quarterfinals of the National Hockey League playoffs, trimming the Calgary Flames, 3-2, on Saturday to sweep their best-of-five opening round Stanley Cup series.

## NHL PLAYOFFS

regular season in second place in the Smythe Division, just two points ahead of Calgary, entered the playoffs unbeaten in nine games. They continued their hot play behind the goaltending of Richard Brodeur, who stopped 42 shots, two goals by Thomas Gradin and the game-winning by Dave (Tiger) Williams, who won Game 2 of the series with an overtime tally.

"It's a great feeling," Brodeur said. "Everyone is on a high right now."

The Canucks will meet the winner of the Edmonton-Los Angeles series in Los Angeles on Saturday. The Kings stormed back from a 3-0 deficit through two periods to beat the Oilers, 6-5, in overtime on a goal by Daryl Evans. Los Angeles leads the series, 2-1, with Game 4 set for Monday night.

Wayne Gretzky had two goals and two assists as the Oilers grabbed their first lead. But the Kings came back and Steve Bonak scored from short range to tie it with five seconds remaining. Evans won it on a 35-foot slapshot 3:35 into overtime.

**Rangers 4, Flyers 3**

At Philadelphia, Cam Connor scored on a rebound with 1:09 remaining to lift the New York Rangers to a 4-3 comeback victory over Philadelphia. The Rangers rallied from a 3-0 deficit on goals by Mike Rogers, Reijo Ruotsalainen and Don Maloney.

**Sabres 5, Bruins 2**

At Buffalo, N.Y., goals by Yvon Lambert, Craig Ramsay and Mike Foligno sparked a second-period rally that gave Buffalo a 5-2 victory over Boston and narrowed the Bruins' lead in the series to 2-1.

**Nordiques 2, Canadiens 1**

At Quebec, Dale Hunter scored two goals in a 72-second span to lead the Nordiques to a 2-1 victory over the Canadiens.

**China Demands Taiwan Give Up Softball Tourney**

**PEKING.** China has demanded that the International Women's Softball Championship, in which it had considered participating, be moved away from Taiwan.

The New China News Agency said China had sent a message to Don Porter, the general secretary of the International Softball Federation, supporting a Japanese proposal that the 5th world women's softball championship, scheduled for July, be relocated. The statement stopped short of saying whether China would send a team.

The Chinese position was taken because the Taiwanese softball authorities insisted on using the flag and national anthem of the Nationalist-ruled island, symbols that are unacceptable to Peking, it said.

The Chinese message also criticized Porter for having "neither refused nor negated" Taiwanese plans to use Nationalist symbols. It said, "There is no absolute assurance against the holding of Taiwan's so-called national flag and playing of Taiwan's so-called national anthem."

The president of the International Olympic Committee, Juan Antonio Samaranch, said in Tokyo, meanwhile, that North Korea has hinted it may compete in the 1988 Olympic Games to be held in Seoul. He said a final decision was expected after the 1984 Los Angeles Games.



**FIRST OF THREE** — Minnesota's Dino Ciccarelli leaps with joy after slamming the first of his three goals past Chicago goalie Murray Bannerman in the North Stars' 7-1 defeat of the Black Hawks. Chicago's Doug Wilson, left, was unable to stop Ciccarelli. Minnesota's victory Saturday cut Chicago's lead in the best-of-five National Hockey League playoff series to 2-1.

# Baseball Season Picks Up as Weather Breaks

**Royals Capture 2 From Tigers; Yanks, White Sox Set to Open**

**KANSAS CITY, Mo.** — After a state of postponements forced by bad weather, the baseball season picked up over the weekend. Only the New York Yankees and Chicago White Sox had yet to open the season, but they were preparing for their first game Sunday at Yankee Stadium.

In the American League, the Royals scored two victories over the Detroit Tigers, on Saturday, John Wathan knocked in two runs for the Royals, and Tom Poquette scored twice to back the combined one-hit pitching of Dennis Leonard, Grant Jackson and Dan Quisenberry. The score was 5-2.

Leonard (1-1) pitched five perfect innings before walking Lou Whitaker to open the sixth. He also walked Ed Miller and Enos Cabell before allowing his first hit of the game — a two-run single by Kirk Gibson that cut the Kansas City lead to 4-2.

Jackson relieved and got pinch-hitter Tom Brookes to fly out to end the inning. Quisenberry pitched the final two innings to get his first save.

Kansas City scored its first four runs in the opening four innings to put the game away against the Tiger starter, Dan Petry (0-1).

Poquette doubled in the first, took third on a groundout and scored on a sacrifice fly by George Brett. Kansas City made it 2-0 in the third when Frank White was hit by a pitch, took second on a walk to U.L. Washington, advanced to third on a fielder's choice and scored on an error by third baseman Cabell on a groundout by Wathan.

**Rangers 4, Indians 3**

In Cleveland, George Wright knocked out three runs with a homer, single and double, and Buddy Bell drove in three more with a pair of homers as Texas scored an 8-3 victory over Cleveland. Charlie Hough, the Ranger starter, hurled his fifth complete game in 24 major-league starts. The 34-year-old knuckleballer scattered eight hits, walked two and struck out four. He retired the last 12 batters.

**Red Sox 2, Orioles 0**

In Baltimore, Jim Rice's two-run single off Scott McGregor (0-1) in the third inning carried Boston past Baltimore, 2-0, in the first game of a doubleheader. Dennis Eckersley scattered six singles, struck out six and retired 13 batters in a row over nine innings in Boston's season opener. In the

**Twins 2, Angels 1**

In Minneapolis, Kent Hrbek crashed a 420-foot home run leading off the seventh inning, and Al Williams pitched a four-hitter to help Minnesota beat California, 3-1. Williams walked three and struck out six in going the distance. Angel Moreno, the loser, gave up both Minnesota runs, the first on a home run by Jesus Vega.

**A's 5, Mariners 3**

In Oakland, Calif., Steve McCarty pitched a seven-hitter over 8 1/2 innings, and the A's took advantage of Gaylord Fister's wildness as Oakland beat Seattle, 5-3. Perry, just three victories shy of 300 in his major-league career, threw three wild pitches to help the A's score all five of their runs in the fifth inning.

**Gullickson Throws 6 Wild Pitches But Expos Still Beat Phillies, 11-3**

**PHILADELPHIA** — Bill Gullickson threw six wild pitches here Saturday — tying a major-league baseball record — but he ended the game as the winning pitcher as the Montreal Expos shelled the Philadelphia Phillies, 11-3, and solidified their early lead in the National League East.

"I felt all right out there, but I held onto the ball a little too long trying to throw outside pitches," Gullickson said, explaining his wildness. "I was overthinking my slider and they were jumping on Gary (Carrier, the catcher) in different ways."

Carrier agreed: "If ever there was a night when I earned my pay, it was tonight. I was just trying to calm him down. He's capable of great things this season — if he doesn't try to set any more records."

Carrier hit a two-run homer, and Al Oliver added a three-run blast to highlight a 16-hit attack that further disturbed the Phillies' new manager, Pat Corrales, who was without a victory in his first three efforts.

Gullickson's wild pitches, which tied the major league record shared by J.R. Richard and Phil Niekro, allowed two Philadelphia runs to score, but he managed to scatter six hits in seven innings and pitch out of several jams.

**Mets 9, Cubs 5**

In the National League, at Chicago, Pat Zachry did not allow a hit until two were out in the eighth inning, when Chicago then exploded for four runs. But the New York Mets, aided by Dave Kingman's five RBIs, held on to defeat the Cubs, 9-5.

**Dodgers 6, Padres 0**

In Los Angeles, Fernando Valenzuela had to wait an hour and 11 minutes because of a rain delay before making his season debut against San Diego. But he showed no ill effects from his 22-day holdout as he limited the Padres to four hits over six shutout innings in pitching Los Angeles to a 6-0 victory.

**Pirates 11, Cardinals 7**

In St. Louis, Pittsburgh took advantage of four Cardinal errors, and John Candelaria pitched three shutout innings in his first relief appearance in two years as the Pirates beat St. Louis, 11-7.

**Giants 7, Reds 5**

In Cincinnati, Joe Morgan got revenge on his old team when his

# Stadler Assumes Lead in Masters; Nicklaus Falts

**AUGUSTA, Ga.** — Spring at last found its way to Augusta, providing the first favorable scoring conditions on the third day of the 46th Masters golf tournament. There was a nip in the air but, for the first time, no wind. A few of the red numerals that denote below-par scores began appearing on the leader boards, around the Augusta National Golf Club.

Craig Stadler, who started Saturday's round tied with Curtis Strange for the lead, assumed sole control of it when he finished with three straight birdies. He finished with a round of five-under-par 67 for a 34-hole total of 211 and a three-stroke lead.

Jerry Pate, winner of the Tournament Players Championship last month, scored 67 to finish at 214, tied for second with Severiano Ballesteros, the 1980 champion, who shot 68.

Pate's playing partner, Tom Weiskopf, four times the runner-up in the Masters, shot 68-215, one under par for three rounds. He was tied with Ray Floyd, the 1976 champion, who had 69. Tom Watson and Bob Gilder were one stroke behind.

Jack Nicklaus, who led by three strokes after the opening round Thursday, slumped to a 5-over-par 77 Friday and went into the third round two shots behind Stadler and Strange with his 146 and one behind Tom Kite. His 71 on Saturday left him at 217, six strokes behind Stadler.

Not since 1954, when amateur Billy Joe Patton also stood at 144, had the halfway leader at the Masters failed to break par. And Nicklaus agreed with the assessment of several of the other leaders that even par of 288 could take the championship on Sunday.

"I said at the beginning of the week that this is going to be a tournament of patience, nerve and nerves, and it's proving to be just that," Nicklaus said. "It requires patience to take your time and not get excited. It takes nerve when the situation calls for it. And it takes nerves to play the nervous shot you're going to play."

Nicklaus was one of many players who complained vehemently about the fast greens and difficult pin placements. Nicklaus went as far as saying, "These pin positions are asking you to make an ass of yourself." He also said that for the first time he had noticed spectators laughing at the mishaps of players on the greens.

Another significant indication of the severity of the playing conditions was the figure of the 36-hole cut, 154, or 10 over par. It broke the record of 153 set in 1966. The list of players who missed the cut included such stars as Johnny Miller, three times the tournament runner-up, and Hale Irwin, a two-time U.S. Open champion who shares the course record of 64 for Augusta National.

Among others who missed the cut were Isao Aoki, Frank Conner, Charles Coody (the 1971 champion), John Cook, Ed Foltz, Lon Hinkle, Gil Morgan and Bernhard Langer of West Germany.

Bill Rogers, the British Open champion, George Burns and Ben Crenshaw made the cut by virtue of a seldom-needed rule, under which a player within 10 strokes of the leader qualifies for the last two rounds.

Jodie Mudd, an amateur from Kentucky, shot a 67 Saturday that placed him at 218 and in a tie with Fuzzy Zoeller, the 1979 champion, who scored 70.

Gilder achieved his 66 despite making three bogeys. He more than compensated for them with nine birdies, including one stretch of four in a row.

**FRIDAY'S GAMES**

**Expos 2, Phillies 0**

In Philadelphia, Steve Rogers pitched a three-hitter and Andre Dawson hit a first-inning home run off Larry Christenson to spark Montreal to a 2-0 triumph over Philadelphia.

**Braves 6, Astros 2**

In Atlanta, Dale Murphy drilled a two-run homer and Tommy Boggs and Al Hrabosky combined on a seven-hit effort to lead Atlanta to a 6-2 victory over Houston. Boggs surrendered four hits over 6 1/2 innings to pick up the triumph. Hrabosky, in his 13th season, singled in the eighth for his first hit in seven years. Don Sutton took the loss.



**BLASTING INTO THE LEAD** — Craig Stadler keeps a close watch on the ball as he blasts out of a sand trap during second-round play in the Masters golf tournament. Stadler, who shared the lead with Curtis Strange after two rounds, carded a 5-under 67 on Saturday to take a three-stroke lead after three rounds.

# Vilas Runs Over Lendl For Monte Carlo Title

**MONTE CARLO** — Guillermo Vilas of Argentina upset Ivan Lendl of Czechoslovakia, 6-1, 7-6, 6-3, Sunday in a battle of the top two seeded players in the championship match of the Monte Carlo Open tennis tournament.

It was the second time Vilas, the No. 2 seed, has won the title of this Grand Prix clay court tournament. The 29-year-old Argentine, ranked fourth in the world, needed 2 hours, 39 minutes to beat the 22-year-old Czech, who last week wrested the No. 2 spot in the rankings from Jimmy Connors. Vilas earned \$60,000 while Lendl received \$30,000.

Vilas, who published a second volume of his poetry last year, never lost a single set in his advancement to the title he last won in 1976. It was the third consecutive year that Vilas had reached the final at Monte Carlo. In 1980, he was defeated by Bjorn Borg, and last year he and Connors each had won two sets in the title match before it was canceled by a thunderstorm and never rescheduled.

Lendl choked in the first set after breaking his opponent's serve in the opening game. He erred repeatedly in the marathon rallies with impatient groundstrokes, which flew out of court, or rattled into the net.

"Usually I can play the shots I need ten times over when I am up against Vilas," Lendl explained. "This time I made 10 errors."

The Czechoslovakian, who has won five tournaments this year, including WCT events at Frankfurt, Strasbourg, Munich and Genoa, regained his momentum in the second set. Both players held serve until Vilas broke through in the ninth game, when Lendl hit a passing shot too long.

Lendl, burning for revenge, broke back, and held his serve to love to lead, 6-5. But he was unable to command with the Argentine's unflinching consistency. Vilas retrieved everything, whether it was one Lendl's hard-driven groundstrokes or a floated placement.

"I was ready for him to play highballs, and then hit an open forehand to come into the net," Vilas said. "I knew he was going to lob me so I decided to make it difficult for him. I had to take risks and change the pace if I was going to win."

He clinched his own serve to take the set into a tiebreaker, which he took at 7-3.

Vilas had to save four break-points in the opening game of the final set, but held on, and broke Lendl in the fourth game. Lendl briefly recovered his hard serve that eluded him for much of the match, but Vilas was in no mood to let the match slip away, and dropped only three points in the last three games.

Lendl's only previous setback in 68 matches was against Yannick Noah in La Quinta, Calif., earlier this year. He avenged that defeat in Saturday's semifinal, 6-1, 6-6, 6-1. But it marked the first time Lendl had lost a set in the tournament.

Vilas advanced to the final by defeating Jose-Luis Clerc, 7-6, 7-5. Clerc, seeded third, missed seven set points in the first set before Vilas took the tiebreaker, 8-6.

**More Sports On Page 9**

# Borg Battles On Against the Tennis Establishment: 'I'm Not Going to Help Them to Save Face'

**By Samuel Abr**

**International Herald Tribune**

**MONTE CARLO** — Bjorn Borg still is joking that he has all the time in the world to decide whether to enter the French Open tennis tournament, but his coach says he won't and the deadline is Monday and Borg knows it.

"No rush, no hurry," the Swedish star said with a laugh a few days ago after an embarrassing 6-1, 6-2 loss in the quarterfinals of the Monte Carlo open. "I have not made many decisions about my program this season after Monte Carlo. The only thing certain is that I will play next exhibition in Tokyo and then the Las Vegas Grand Prix. Maybe Hamburg and Geneva late in the season. For the rest, we'll see. There's time to decide."

Now there isn't. Borg must commit himself to defend the French title that he has won six times in the last eight years. He continues to insist that if he must play qualifying rounds at Roland Garros Stadium, he will not enter. "That's the way it's going to be," Borg says. "I have not changed my position."

**A Rule Is a Rule**

Nor has the French Tennis Federation, whose president, Philippe Chatrier, says, "a rule is a rule." Equally unyielding so far is the Wimbledon committee, which meets this week to review again Borg's appeal against having to play qualifying rounds in the tournament that he has won five times in the last six years.

Officials of the last of the Grand Slam tournaments, the U.S. Open, have been more discrete in their dealings with Borg, possibly because the tournament is still so distant — play begins Aug. 30 — and possibly because Borg

has made it so plain that he wants to compete there. "My great dream is the U.S. Open," he says, "the only major tournament I have never won."

Whatever decision Borg makes about the French Open, it will be momentous in his continuing, courteous war with the tennis establishment, the Grand Prix circuit, the international tournament directors, the Association of Tennis Professionals, the International Tennis Federation and the Men's International Professional Tennis Council.

"I'm not going to help them to save face," Borg says with finality.

**Plenty of Sympathizers**

He was taken generally at his word as the Monte Carlo Open ended Sunday. The clay tournament, which opens the European outdoor season, serves also as a gathering of the tennis club; agents, promoters, hustlers and executives join the players to compare notes, exchange gossip and work out deals. A broad series of conversations leaves the impression that Borg deserves better.

Ivan Lendl, now ranked second in the world, is typical of those supporting the Swede. "If somebody is telling him what to do or not to do, they're acting like parents with a 5-year-old kid. I agree with Bjorn. It doesn't seem fair."

In a distinct minority is Yannick Noah, who defeated Borg and then suggested that he somehow affronted the game by taking a five-month holiday from match competition and then breezing through five rounds here, including qualifying matches.

"I disagree totally with Noah," said Guillermo Vilas. "A player has the right to take a hol-

iday and not have it held against him. He does not deserve punishment."

Borg's fans agree. Out Avenue Princesse Grace, past the eucalyptus and palm trees screening the blue Mediterranean, beyond the gingerbread villas making way for luxurious high rises, his fans flock to the Bjorn Borg Sportshop, with an awning reading "Everything for Tennis."

Downtown, the casino — where worked the man who broke the bank at Monte Carlo — draws the tourist buses from nearby France and Italy, the Mercedes 300s and the Rolls Royce Silver Wraiths. Borg's sportshop draws a different crowd of dreamers: Mothers and fathers with young sons, teen-age girls, weekend players at the nearby country club, older people out for a stroll on the safe, clean streets of this resort.

They have not stopped coming. "People want to look," a clerk explains. "They buy, too, but many of them just want to look. Maybe they just hope to see Bjorn."

**Coach's Assessment**

His constituency remains firm through good times and bad — and nobody denies that these are bad times.

The players, including Borg, agree that he is not yet playing good tennis.

"I still have problems with my serve," Borg admits. "I overhit the ball a lot, I have to be more patient. It takes time to get my strokes back."

His coach, Lennart Bergelin, has another explanation. "I think the only difficulty is mental," he says. "The problem of qualifying rounds, among others, preoccupies him. Things would be better without this worry."

Bergelin's allusion to other problems is echoed in rumor here: Borg's wife, the former Mariana Simionescu, is said to be much sicker than reports about her kidney stones indicate. Other reports go further, hinting that their marriage is breaking up. "She's fiery and he's stubborn, not a good combination," somebody says.

The question is put tactfully to Borg. "People think that you have, outside tennis, a preoccupation that is influencing the quality of your game. What do you think of that?"

**Fall From the Top**

With a smile, Borg replies. "I don't have one preoccupation. I have many, but they had nothing to do with my defeat." He passes to another subject.

These are painful times for Bjorn Borg Inc., a privately held, tax-sheltered, multinational conglomerate. Responding to the challenges of increased foreign competition and reduced productivity, it decided to furlough its workforce late last fall after the peak season and then resume work this spring.

"It was fantastic to forget about tennis," Borg says now. "I didn't even watch it on television. I feel much better since my break, more relaxed, I am much fresher. I needed a rest. Don't forget that I have been playing tennis four hours a day since I was 14."

In the 11 years since then, Borg rose to be ranked as the game's top player in 1979 and 1980. Last year, after missing the last two months of play, including the Masters tournament in New York that he won the two previous years, he fell to No. 4 in the world and now ranks No. 6.

His official earnings dropped from \$1,008,742 in 1979 and \$731,762 in 1980 to

\$189,075, which ranked him only 18th on the list put out by the Association of Tennis Professionals.

Not that the loss of income troubled Borg, who has offshore funds, tax-free trusts and a swarm of Swiss corporations to protect his capital. Additionally he receives money for endorsing tennis shoes, shirts, racquets and wrist and head bands. There are Borg sunglasses and T-shirts, chocolates and health foods. There is even a Bjorn Borg doll, although the likeness is poor.

So money seems to be no problem in the high-finance world of tennis, where Borg made \$8,700 for reaching only the quarterfinals at Monte Carlo, where he settled in 1975 "to avoid the 90-percent tax bite Sweden was taking from my prize money."

**Price of Leisure**

What worries him is that he must pay a price for his vacation and reduced playing time this season.

Among the 83 rules of the Grand Prix circuit on which Borg performs, Rule 8, Player Commitment, Section 9, Failure to Play, Article E, Alternative to Commitment, specifies that any athlete who declines to enter at least 10 tournaments exclusive of the French Open, Wimbledon and the U.S. Open must qualify for each tournament entered. And so Borg had to win his way into the Monte Carlo Open.

The pro circuit, the governing body of the Grand Prix circuit, steadily has rejected his appeal for a waiver of the rule, which was adopted to avoid sharing players with the rival World Championship Tennis tour. Everybody expects the rule to be changed but not now, which is what Borg is asking.

He asks respectfully. In a sport known for testy tantrums and obscene shouts and gestures, Borg is polite in his challenge to authority.

**A Bad Memory**

He wants to play in no more than seven Grand Prix tournaments, he says, and wants to continue to take long vacations from the game. He still is asking politely, remembering perhaps the traumatic six-month suspension he received in Sweden because of his temper at the age of 12. "Now if I get a terrible call, I don't say a thing," he has said of his conduct on court. "Inside I may say it all."

"He's hurt," Bergelin says. "He, and I, I wouldn't say we were proud but we're principled. If we say a time, 8 o'clock, we mean 8 o'clock, not 8:05 or 9 o'clock, the way the French mean when they say 8 o'clock."

"We structure our life. Each hour we know what we mean to do. Borg never looks ahead. With him, he thinks about this tournament. When this one is over, he thinks about the next one. That way there are no surprises. He doesn't like surprises."

But the rejection of Borg's appeal to the pro council must have been a surprise.

"Yes," Bergelin admits. "That was a surprise. They are being weak, very weak in not changing their rule. Bjorn has enough to think about without having this worry of qualifications."

"He is not proud, I say, but this is no way to treat a champion."

Bergelin grows excited and holds his hands about six inches apart. "It should be put into words this big," he says. "No way to treat a champion."



